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IFTIKHAR-UL-AWWAL

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STATE OF INDIGENOUS INDUSTRIES

IFTIKHAR-UL-AWWAL*

Bengal in the first half of the eighteenth century was a prosperous and flourishing province, noted for its wealth and manufactures. It was this affluence which induced the contemporaries to describe Bengal in such terms as 'Paradise of Nations,' 'the Paradise of India', or 'the realm of Paradise'.¹ It was the same lure of wealth which also brought to the shores of Bengal a host of foreign merchants from far and wide, including a great many Europeans of diverse nationalities. Their travel accounts and descriptions were no less copious in glorifying the land which had 'an hundred open gates to enter . . . and not one to come away again'.²

The wealth of this nations was created of course by the bounteous soil of the region which produced a wide variety of agricultural commodities like rice, wheat and other grains, sugarcane, cotton, opium, indigo, oils of different kinds and vegetables. Other economic products found in abundance were lacca, wax, long pepper, salt and saltpetre. But more than anything else Bengal was then the general storehouse of a wide variety of cotton and silk products not only for Hindustan of the

* Professor of History, University of Dhaka.

1. See the Chapter by Sushil Chaudhuri on 'General Economic Conditions Under the Nawabs' in this volume.
2. Francois Bernier, *Travels in the Mughal Empire*, (Oxford 1914), Vol. I, 190.



Empire of the Great Mughal, but also for the Kingdom and for Europe itself. The goods so manufactured were not only known for their exquisite fineness and delicacy of workmanship but were also relatively cheap. Bengal's industrial economy during the pre-colonial period compared thus very favourably with that of any nation on earth.

In this chapter, an attempt will be made to study the state of the major indigenous industries during the colonial period. An attempt will also be made to explain the causes of their ultimate collapse. In this connection, the role of the state which could stimulate or inhibit industrial development would be looked into to ascertain the real motive of British rule. Did they create an appropriate climate for promoting and encouraging indigenous industrial enterprises? Was the destruction due to natural causes or was it deliberate? The economic policies of the colonial state in relation to industries need, therefore, also to be looked into to ascertain the total effect of such policies on the domestic manufacturing industries.

1.0 HANDLOOMS COTTON TEXTILE MANUFACTURES

Of all the handicraft industries of Bengal, cotton was the most important. Its history is at least two thousand years old. During Roman times, Indian muslins were a passion and a fashion with the wealthiest of Roman ladies. Pliny, a Roman writer of early second century A. D. complained that "in no year does India drain our empire of less than five hundred and fifty millions of *sesterces*" which was computed in about the middle of the 19th century at about £1,400,000 a year.³ Kautilya's *Arthashastra* alludes to the fine cotton fabrics of *Vanga* or Eastern Bengal. 'The muslin called *Gangitiki* in the *Peripuss of the Erythraean Sea*, an anonymous publication of the first century A. D., most probably came from East Bengal. Sulaiman, the Arab traveller who visited India in the ninth century, seems also to refer to the fine muslins of Eastern Bengal when he remarks that 'cotton fabrics made in the kingdom of Rahmi (which has been identified with East Bengal) are so fine and delicate that a dress made of it, may pass through a signet ring'. In Marco Polo's days (A. D. 1294-95), the

3. S. N. Gupta, *British, The Magnificent Exploiters of India* (New Delhi 1979), 7-9. The estimate obviously included silk fabrics which were so eagerly sought after by Roman ladies.

chief centres of cotton weaving in India were Guzrat, Cambey, Telingana, Malabar and Bengal. Ralph Fitch, the traveller who visited India three centuries later (1583) describes Sonargaon, which is about 13 miles south-east of Dhaka 'as a town . . . where there is the best and finest cloth made in all India'. About the same time, Abu al-Fadl writes, "the Sarker of Sonargaon produces a species of muslin very fine and in great quantity".⁴ Later day travellers like Bernier and Tavernier were also full of praise for the cheap, light, gaudy and elegant apparel of Bengal. The beauty and fineness of Bengal's cotton stuff soon attracted the attention of European traders, and by the end of the 17th century, the Dutch, the French and also the English had their own factories in Bengal.

1.1 PRODUCTION ORGANISATION OF THE INDUSTRY

Before the consolidation of British control over Bengal, the cotton industry was organised under pure handicraft or the domestic system of production. In the former, small independent producers carried on the process of production with the assistance of members of their own families, and occasionally by hired labourers on wages. There was little division of labour in the beginning and the master manufacturer had also to play the role of a capitalist and a dealer. On the other hand, under the domestic system, the master craftsman was dependent on the capital of *mahajans*, who often combined money-lending with his cloth business. He advanced money through middlemen, called *paikars*, and had staff called *makim* or *Mukim* who would go round to ensure the quality and standardization of products. However, with the coming of the Europeans, the domestic system of production became much more common. Most Indian artisans were starved of capital and hence to procure sufficient cargo in time the foreign traders had no alternative but to advance cash to the manufacturers either directly or indirectly.⁵

Advances to weavers were paid by the English East India Company by two different systems, viz., the contract and the

4. J. C. Sinha, "The Dacca Muslin Industry, *The Modern Review*", April 1925, 400-01.
5. It was not the same as the 'putting out' system of Europe under which the merchant advanced to weavers not liquid capital but the actual raw materials.

agency system. Under the former, the Company made contracts with Indian merchants, known as *dadni* merchants for the supply of goods at stated times and places, and who in their turn made contracts with weavers and gave them advances of money.⁶ At the time of contract, the *dadni* merchants used to receive money to the extent of a half or even three-quarters of the estimated value of the cloths to enable them to make the necessary advances to the weavers. For services rendered, the *dalals* or brokers were paid a commission of 4.5 to 8 percent of the value and an additional 7.5 percent to cover the expenses.⁷ The contract system was, however, given up in 1753 as complaints became quite frequent that the *dadni* merchants supplied goods of inferior quality at enhanced prices.⁸ The actual position, on the contrary, was that the English were never good pay-masters and were fastidious in the acceptance of their orders. Hence, "the *dadni* merchants after 1740 were not eager to do business for the English Company. The terms of the French and the Dutch were more lucrative to them and in many cases they refused to accept the terms of the English Company".⁹

The new system evolved in 1753 was called the Agency System under which the Company's European officials advanced money to weavers out of Company's own funds. In other words, in order to maximise procurement at low cost, the Company decided to move nearer to the source of supply. They also appointed a number of Indian servants in each *aurang* under a factory to enforce the compliance of the terms of contract with weavers. Such officials included *gomastas*, *seristadars*, *muhrrers*, *makim*, *tagidgirs*, and sometimes other employees with designations such as *amin*, *naib-gomasta*, *nayeb* and *tahvildar* besides staff like *jamadars*, *barkandaz*, and peons. The *gomasta*, was the head of an *aurang* through him all advances and procurements were made. "... purchasing for most factories was directed through gumashtas ... [their] terms of employment ensured their loyalty for the Company... they represented the Company's authority. . .".¹⁰ Thus

6. J. C. Sinha, *Economic Annals of Bengal*, (London 1927), 79.

7. Anisuzzaman, *Factory Correspondence and other Bengali Documents in the India Office Library and Records* (1981), 5

8. J. C. Sinha, *Economic Annals*, 80.

9. D. B. Mitra, *The Cotton Weavers of Bengal, 1757-1833*, (Calcutta 1978), 46-47.

10. Hameeda Hossain, 'The Company's Controls Over Textile Production: Implications of its Legal Framework for Weavers, 1757-1800', in the *Journal of the Asiatic Society of Bangladesh*, XXVIII: 1 (June 1983), 115.

the flexibility which the weavers had attained in transacting business with *dadni* merchants gave way to officially exclusive relationship with the *gomasta*.¹¹ William Bolts, a former civil servant of the English East India Company, in his *Considerations on Indian Affairs*, has left us a vivid description of the conduct of the *gomasta* in the procurement of the Company's investment. It will not be impertinent to quote in length from his works. He wrote:

. . . he [the gomasta] makes them [the weavers] sign a bond for the delivery of a certain quantity of goods, at a certain time and price, and pays them a part of the money in advance. The assent of the poor weavers is in general not deemed necessary; for the *gomastahs*, when employed on the Company's investment frequently make them sign what they please; and upon the weavers refusing to take the money offered, it has been known that they have had it tied in their girdles and sent away with a flogging. . . A number of these weavers are generally also registered in the books of the Company's *gomastahs* and not permitted to work for any others, being transferred from one to another as so many slaves, subject to the tyranny and roguery of every succeeding *gomastah*. The cloth, when made, is collected in a ware-house . . . where it is kept marked with the weavers name, till it is convenient for the *gomastah* to hold a *khatta*, as the term is, for assorting and fixing the price of each piece, on which business is employed an officer called the Company's *Jachendar* or assorter. The roguery practised in this department is beyond imagination, but all terminates in the defrauding of the poor weaver ; for the prices which the Company's *gomastahs* and, in confederacy with them, the *Jachendars* fix upon the goods are in all places at least fifteen per cent and in some even forty per cent less than the goods so manufactured would sell . . . upon a free sale. The weaver, therefore, desirous of obtaining the just price of his labour frequently attempts to sell his cloths privately to others. . . This occasions the English Company's *gomastah* to set his peons over the weaver to watch him, and not unfrequently to cut the piece out of the loom when nearly finished.¹²

11. *Ibid.*

12. William Bolts, *Considerations on India Affairs*, (London 1772), 193.



Bolt's description was no exaggeration at all. Corroborative evidence of roguery and corruption practiced by the native servants of the Company in collaboration with their European masters are plentiful in contemporary records.¹³

To offset the effects of the 1770 famine which led to decreasing output at a period of rising demand, the English Company ordered in April, 1773 that articles be purchased from the native merchants at the prevailing market price. Two years later, the Company once again reverted to contract system.¹⁴ Such contracts for procurement of investment was, however, not made with the *dadni* merchants but with the chiefs at the factories and other Europeans. Unfortunately, these changes did not prove to be beneficial to the Company. On the one hand, free sale led to price increases; and on the other, a marked deterioration was visible in the quality of the products. Moreover, the weavers who were under obligation to the English Company now resorted to clandestine sale of their goods to the Dutch and the French Company and also to private traders who paid at least 20 to 30 percent more than the Company's dictated price. Hence, to secure their investments, the English Company enacted coercive regulations in the 1770's and 1780's especially against clandestine sale of goods. Provision was also made to inflict penalties for non-fulfilment of the contracts. The cumulative effect of these regulations were finalised in the legal code of 1793 which defined the terms for the Company's commerce in textiles. Such regulations, stifled the weavers initiative to work and altered the status of the producer to that of a mere wage earner.¹⁵

The oppression by the Company's agents proved so destructive of the industry that many weavers gave up their profession to seek for subsistence from less precarious calling. There was uncommon scarcity of weavers even before the 1770 famine, and the situation became all the more worse after it. "The steps eventually led to a situation where the weaver either absconded or was imprisoned. The number of deserters was considerable Others gave up weaving for day labouring, fishing or some other profession while some died in hiding."¹⁶

13. J. C. Sinha, *Economic Annals*, 83-84.

14. In 1787, the agency system was reintroduced and commercial residents were appointed to the factories. This was done to stop the corrupt practices of contractors.

15. Hameeda Hossain, "Textile Production", 121.

16. Anisuzzaman, *Factory Correspondence*, 13.



The Company, however, controlled only about one-third of the total weaving population of the province.¹⁷ The remaining artisans were dependent, barring a few, upon local *mahajans* for the supply of capital and marketing of their products. When the Company finally wound up its cloth business by the Charter Act of 1833 (actually by 1825 cloth establishments in factories ceased to function), their weavers who still preferred to continue the profession also came under the control of the native *mahajans*. This dependency relationship arose due to extreme poverty of the artisans. He not only required working capital to purchase raw materials like yarn to work upon but also reserve capital as finished goods often remained unsold for want of market, especially during slack seasons when he had to purchase yarn to keep himself employed. Once the handloom weaver got indebted to the *mahajan*, it was very difficult if not impossible for him to get out. The *mahajans* on their part also rather encouraged them in this as a certain amount of indebtedness on the part of the weaver was a considerable safeguard during the months when he was likely to become a defaulter. In such a contractual relationship, the *mahajan* being the dominant partner determined the terms and conditions in his own favour, leaving only bare subsistence to the actual worker and appropriated to himself all the commercial advantages of the processes of buying and selling. Any attempt to organise the handloom industry on co-operative lines was strenuously opposed by *mahajans*, and their control over the weavers was sufficient to ensure its defeat. The industry thus remained till the end of British period generally under the grip of the *mahajans*.

1.2 TEXTILE PRODUCTS

One of the striking features of Bengal's handloom cotton textile industry was its extraordinary diffusion throughout the country. "On the coast of Coromondal and in the province of Bengal", wrote Robert Orme

When at some distance from the high road, or a principal town, it is difficult to find a village in which every man, woman, and child is not employed in making a piece of cloth . . . much the greatest part of the whole provinces are employed in this single manufac-

17. Mitra, *Cotton Weavers*, 107.



ture. . . the progress of the linen [cotton] manufacture includes no less than a description of the lives of half the inhabitants of Indostan.¹⁸

The observation of Orme was no hyperbole. According to one estimate of 1776, the weaving of cloth in the Dhaka district alone provided employment to some 1,46,751 individuals which included 25,200 weavers and 80,000 spinners. The estimated number of weavers, growers of cotton, spinners, dressers, *ruffaghurs* and embroiders thrown out of employment by the closing down of the Company's establishment in and around 1825 was estimated by the Board of Trade at about 500,000 souls.¹⁹ As the English East India Company could effectively control only about 33 percent of the weaving population of the province, this means that in and around 1825 there were about 1.5 million people in the province who were directly engaged in the production of cotton textiles. The explanation for such extraordinary diffusion of the industry, according to Orme, lay in the low physical strength of the inhabitants who preferred weaving as this was a sedentary occupation and required the minimum possible exertion.²⁰ A more plausible reason has been advanced by K. N. Chaudhuri, according to whom, the diffusion had little connection with the specific genetic characteristics of the people; rather it lay in the fact that the cotton industry in India was organised on the basis of caste groups which were to be found in all parts of the country.²¹

Even though the industry was widely dispersed, there was vital qualitative difference between production for a purely local market and production for overseas export and inter-regional trade. Cloths produced purely for local consumption were usually of the coarser and cheaper varieties in keeping with the standard of life of the general masses. On the other hand, products for export had to be prepared with utmost care as per the quality and specifications required by the merchants. In the manufacture of fabrics for export, distinct patterns of regional specialisation is,

18. Robert Orme, *Historical Fragments of the Mogul Empire*, (London 1805), 409.

19. Mitra, *Cotton Weavers*, 169

20. Orme, *Historical Fragments of the Mogul Empire*, (London 1805), 409.

21. K. N. Chaudhuri, "Indian Textile", 131.

however, visible. The important towns like Malda, Hurripaul (in Rajshahi), Sreepore (in Rajshahi), Balikushi, Cogmari (in Mymensingh) became renowned for the manufacture of *cossaes*, *elatces*, *hummums*, *chowntahs*, *lootally*, *soosiess*, *seersuckers*, *baftaes*, *sannoos*, *malmals* and *tanjeb*s. The towns like Burdwan, Kheerpoy (in Midnapore), Radhanagar (in Midnapore), Dewanganj and Balligisagar supplied the English Company with *dooreas*, *terrindams*, *cutianies*, *soosies*, *sootiromals*, *gurrahs*, *sestersoys*, *santon coupees*, *cherrideries chilys*, *custas*, *doosootas*. A large quantity of *gurrahs* were supplied to Europe from Elambazar of Birbhum. Santipore and Burron of Nadia district supplied *malmals* and *cossaes* while Midnapore specialised in coloured goods, besides muslins. The *aurangs* at Rangpur, Ghoraghat (in Dinajpur), Santose Buddaul (in Dinajpur) supplied the English Company with *sannoos*, *malmals* and *tanjeb*s.²² But Dhaka undoubtedly occupied the premier position, both as regards the manufacture of plain fabrics, and in the art of making figured muslin called *jamdanees* which were flowered in the loom. From the letter books of the East India Company's Dhaka factory, it appears that the following varieties of muslin were manufactured in the *aurangs* under the Dhaka factory for the Company in the last decade of the 18th century:

Chandpur : *Adi*, *Cossa*, *Laccowric* and *Nainsook*;

Dhaka : *Abrawan*, *Adi*, *Buta*, *Cossida*, *Chikan*, *Doorea*, *Jamdani*, *Jari*, and plain cloth;

Dhamrai : *Buta*, *Cossida*, *Terrindam*, and plain cloth;

Jungalbari : *Adi*, *Bafta*, *Buta*, *Cossa*, *Guzee*, *Kora*, *Nainsook*, plain cloth, *Samudralahar* thread, *Seerhaudconnae*, *Sarker Ali* and *Tanjeb*;

Narayanpur : *Adi*, *Mamoodee*, *Mamoodeati*, *Mugadiya*, *Malmal*, *Nainsook*, *Seerband*, *Seerbat*i, and *Tanjeb*;

Sonargaon : *Adi*, *Allaballee*, *Bunegee*, *Cossa*, *Guzee*, *Malmal*, plain cloth, *Samudralahar* thread, *Seerband*, and *Seerbat*i;

Srirampore : *Cossa*, *Dintie*, *Hammam*, *Ijri* and *longcloth*;

Titbadi : *Tanjeb*.²³

22. Mitra, *Cotton Weavers*, 151-52.

23. Anisuzzaman, *Factory Correspondence*, 10.

The annual value of cotton goods exported from the Dhaka *aurangs* in 1747 alone amounted to 28½ lakh rupees²⁴ which figure increased to 50 lakh rupees in 1787.²⁵ John Taylor, however, thinks that the estimate at the Dhaka Customs House showing 50 or 60 lakh rupees per annum also included the value of goods of the neighbouring factory of Luckipore, Hurripore and Chittagong, and for whose exports *rowannah* were invariably obtained from the Dhaka Customs House. According to him, Dhaka in or about 1790 was capable of annually producing goods worth around 26 lakh rupees only as shown below:²⁶

Name of aurang	Value of goods produced (in Arcot rupees)
Dhaka	4,50,000
Sonargaon	3,50,000
Narayanpur	2,00,000
Jungalbari-Bajitpore	4,50,000
Chandpur	50,000
Srirampur	50,000
Dhamrai	2,50,000
Titbadi	1,50,000
	19,50,000
Exclusive of low assortments for the use of natives :	4,50,000
And allowing for possible deficiencies in the estimate:	2,00,000
The whole amount to :	26,00,000

24. See John Taylor's Report in Abdul Karim, "An Account of the District of Dacca, Dated 1800", in the *Journal of the Asiatic Society of Pakistan*, VII: 2 (1962), 307-09.

25. Anisuzzaman, *Factory Correspondence*, 4.

26. John Taylor's Report in Abdul Karim, "Dacca" 331.

The explanation for the distinctiveness and concentration of warring population certain centres of production lay primarily on such factors as the availability of raw materials (which itself was the product of special climatic and geographical features), the patronage of regal courts and the nobility, and the facility of transport (access to markets and low transport costs).

Bengal was endowed with suitable raw materials which were produced in close proximity to the centres of specialised production. Dhaka, for example, produced almost all the finer varieties of muslin with *photee* cotton.²⁷ Besides, Dhaka also produced *bairati kapas*. The local cotton so produced were the 'finest cotton' found in any quarter of the globe. Its fibre was more fine and silky than that of any other variety of Indian cotton. The fibre had also greater elasticity and hence were capable of receiving more twists and turns in the process of spinning. Another special quality attributed to the Dhaka cotton was that the thread did not swell after bleaching.²⁸ The superiority of Dhaka *coppas* was attributed by John Taylor to their being in the

vicinity to the sea, the water of which mixing as the tide rolls it in, with the water of the Meghna, which overflows that part of the country, during three months of the year, deposits as it subsides, sand, and saline particles, which very considerably improve and fertilize the soil, which consists of light and brown earth. It is also thought, that the freshness of the sea air may have some beneficial effect, in nourishing the plantations of *coppas*.²⁹

Besides Dhaka, Patna produced five different varieties of cotton; Malda, Burdwan, Radhanagar—three varieties each; and Hurripaul two sorts. Cotton was also produced in Midnapore, Santipore and in Chittagong.³⁰

The specialised centres of production could not, however, have grown up without the patronage of the imperial and vice-regal courts scattered over the country which generally maintained a small army of weavers. The Hindu kings of Bengal and later on the Mughal emperors and the nobility patronised the finer and costlier stuffs. Under the Mughal government, *karkha-*

27. J. C. Sinha, "Dacca Muslin Industry", 402.

28. *Ibid.*

29. John Taylor's Report, in Abdul Karim, "Dacca" 313-14.

30. Mitra, *Cotton Weavers*, 156-57.



nas were established for the manufacture of cloths required by the royal household. Such *karkhanas*, called *Malbus Khas Kuthis* were located at Dhaka, Sonargaon, Jungalbari, and were superintended by *Darogas*, and it was their immediate duty to inspect the manufacture of all the cloths. The annual value of *malbus khas* sent from Dhaka by Murshid Quli Khan to Emperor Aurangzeb alone amounted to nearly a lakh Arcot rupees.³¹ In 1747, the *aurang* cost of cloths exported from Dhaka for the emperor amounted to Arcot one lakh, for the nawab of Murshidabad to three lakh Arcot rupees and for Jagat Seth for one and a half lakh rupees.³²

The constant practice of weaving such cloths must have highly advanced the skill of the weavers, and the incessant inspection of the *Darogas* and their people, and the fear of incurring punishment for any deviation of the duty expected of them, must have effectually deterred the weavers while manufacturing the cloths from attempting any improper practices.³³

Besides, a considerable number of the most skillful spinners. . . were employed in spinning thread requisite for those fabrics. The habit of constantly spinning such fine thread, the implied obligation of making it of the best kind, and the emulation which would naturally arise among such a number of persons, employed in preparing it, would severally operate in improving the quality of the thread, as highly as it was capable of being improved.³⁴

At a later stage, the European trading companies set up residences in some of these places of historical seats of weaving and opened up some new ones to obtain the fabled fabrics of Bengal which commanded a ready sale in the European markets.

The centres of production were also well-served by excellent water routes or by land routes, or both. The cities of Dhaka, Murshidabad, Hughli, Calcutta, Patna were connected with Nepal and Bhutan. Two roads ran from Dhaka to Calcutta, and Burdwan had important roads running from and to different parts of the country. James Rennel has given a long list of such roads in the 18th century, and a brief treatment on the subject is also

31. Taylor's Report in Abdul Karim, "Dacca" 303-05.

32. *Ibid.*, 307-09.

33. *Ibid.*, 321.

34. *Ibid.*, 319.

available elsewhere in this book.³⁵ Besides land routes, the centres of production were admirably served by easy inland navigation. Dhaka, for example, had links by water with the bigger cities of Chittagong, Calcutta and Patna throughout the year. Dow thus testifies : "The easy communication by water from place to place, facilitated a mercantile intercourse among the inhabitants. . . the Ganges, which falling by various mouths, into Bay of Bengal lay open the ocean for the export of commodities and manufacturers".³⁶

1.3 COST STRUCTURE OF PRODUCTION

The most important components in the cost of textile production were the labour charge and the cost of raw materials. Labour charge included the cost of weaving, sizing, preparing the warp (including drawing and twisting), the cost of winding the weft and the cost of finishing. Expenditure on account of labour, however, depended very much upon the kinds of fabrics manufactured. In preparing the finest assortments of the *Malbus Khas*, that is, the provision of fabrics which were annually sent for the Emperor or the cloths which were manufactured for the nawab of Bengal, called *Sirkar-i-Ali*, labour charges were invariably very much higher as the weavers had to work with the finest thread. The cost of labour also depended upon the intricacies of patterns to be woven in the case of flowered muslins, called *jamdanis*. Towards the close of the 18th century, Taylor states that the finest half piece of *Malmal Khas* cost eighty Arcot rupees, of which rupees thirty-nine was the cost of thread, while forty-one rupees was left to the weavers as profit.³⁷ In other words, labour charge constituted 51.25 percent of the total cost of production. The textile goods exported to Europe in the 18th century were, however, not of the finest sort. "The Company until 1792 never provided cloths of higher price than fifty Arcot rupees per piece whole."³⁸ In cloths of such quality, the manufacturing charges were somewhat lesser. The cost of manufacture for example, of certain kinds of fine *baftas* and *cossaes* in normal period varied from 31 to 37 percent in the years immediately before

35. See Sushil Chaudhuri's 'General Economic Conditions Under the Nawabs' Chapter 2.

36. Alexander Dow, *The History of Hindostan*, Vol. III (New Delhi 1985), lxii.

37. Taylor's Report in Abdul Karim, "Dacca" 318.

38. *Ibid.*



1789.³⁹ Labour charges for weaving a piece of *malmals mamnee* in 1794 was about 25.80%, of *mamudhiatis* 27.50%, of *serbetties* ordinary 25.93%, and for *malmal* 1200 threads 23.53%.⁴⁰ Manufacturing rates available for certain assortments for the year 1804 shows yet a lower margin for weavers' work due to rising cost of cotton (see Table 1).

Table 1.1 Cost Structure of certain categories of Cotton Textiles

(1)	(2)	(3)	(4)	(5)	(6)
Assortment	Total cost of thread	% of (2) to (6)	Weavers remuneration	% of (4) to (6)	The actual price of cloth when delivered to gomasta
	Rs. a. p.		Rs. a. p.		Rs. a. p.
Baftaes	2-2-0	80.95	0-8-0	19.05	2-10-0
Chowbissa					
25x2					
Meccamumdy	2-11-0	81.13	0-10-0	18.87	3-5-0
25x2					
Meccoussary	2-8-0	76.92	0-12-0	23.08	3-4-0
25x1½					
Baftaes fine	3-1-0	77.78	0-14-0	22.22	3-15-0
25x2					
Cossaes	3-11-8	75.80	1-3-0	24-20	4-14-8
40x2					
Gurrahs	3-2-0	75.76	1-0-0	24.24	4-2-0
36x2½					

Source : Proceedings of the Bengal Board of Trade (Commercial), Vol. 171, March 30, 1804, No. 25.

Besides relatively finer varieties for export, ordinary fabrics like *saris*, *dhuties*, *lungis*, *chaddars*, *gamchas* and the like were also manufactured for mass consumption. Labour costs for weaving such products ranged from 20 to 30 per cent towards the end of British rule in Bengal.⁴¹

39. K. N. Chaudhuri, "Indian Textile", 169.

40. Mitra, *Cotton Weavers*, 113-15.

41. Iftikhar-ul-Awwal, *The Industrial Development of Bengal, 1900-1939* (New Delhi 1982), 221.

The other important variable in the cost of production was the price of yarn, which again depended very much upon its fineness (and upon other materials if used). Muslins for the royal household were produced with the finest yarn, yarn of probably more than 500 counts.⁴² Taylor writes that the maximum quantity of very fine yarn which a spinner could make in one month, devoting the whole morning to the spindle, was only $\frac{1}{2}$ a tola. He further calculated that for weaving a half-piece (10 yards X 1 yard) of the finest variety of muslin, weighting $4\frac{1}{2}$ ounces, it took about two years for one person to spin the required quantity.⁴³ The price of such yarn was naturally high as was the cost of weaving. The generality of Company's exportable items were, however, of a middling sort and here, the yarn cost constituted the major component of the cost of production. In the case of ordinary *baftas* and *meetamumdy*, it was around 80%. The proportionate cost of yarn was somewhat lower in the case of finer varieties of cloths (see Table 1). This is accounted for the fact that on yarn of superfine counts a weaver expends a very much larger amount of labour per lb. of material used than on fine or ordinary yarn.⁴⁴

Closely linked with the issue of weavers' remuneration, was the broader question of their material well-being. In this regard, it appears that under the British domination the economic condition of the weaving community as a class had deteriorated. During Alivardi Khan's time, Bolt writes, there were independent weavers who worked on their own account and who could at one time bring as many as 800 pieces of muslins to a merchant.⁴⁵ Not only the race of such affluent weaver-merchants vanished with the emergence of a new political order, even the general economic condition of ordinary weavers and spinners became very much worse off. This was principally due to the inordinate rise in the price of foodgrains and also of raw materials of industry. *Coppas* which used to be at the rate from four to five *pans* per seer around 1760 was selling at 9 *pans* around 1800. Thread of all kinds was

42. J. C. Sinha, "Dacca Muslin Industry", 403.

43. *Ibid.*, 404-05.

44. *Report of the Indian Industrial Commission*, 1916-18 (Parliamentary Paper XVII of 1919), 435.

45. James Taylor, *A Sketch of the Topography and Statistics of Dacca*, Vol. II, (Calcutta 1840), 311.

very much dearer. Within a period of forty years, the price of rice had risen from two and a half maunds per Arcot rupee to one and half maunds per Arcot rupee.⁴⁶ The price level galloped yet further in the first two decades of the 19th century. Rice price nearly doubled in most parts of Bengal, and there was also an appreciable rise in the price of raw cotton.⁴⁷ This rise in the cost of living and raw materials of industry fell heavily on the weavers as the Company conscious of its costs did not increase the price of their investments high enough to give them even a subsistence living. And, in fact, in the making of *jamdani* cloths, the price was indeed lowered (see Table 1.2). "The great reduction of prices in the *jamdannies*", observed Taylor, "is owing not to any disproportionate profit being now enjoyed by the *Jamdany* weavers in comparison with what is obtained by weavers manufacturing plain cloths, but to the inordinate profit, formerly received by a very limited number of manufacturers of *Jamdannies*, having by a gradually great increase of *Jamdany* weavers, among whom proportionately increasing competition for providing the cloths has arisen, but since reduced to a more reasonable standard."⁴⁸ Mitra also cites several examples to show that quite often weavers had to sustain loss from the Company's work.⁴⁹ "The loss were actually meant the difference between the actual price of the cloth and the actual receipts of the weavers from the Company's agents. In most cases, the weavers did not receive anything for his labour and had to remain content with the price of the raw materials used."⁵⁰ This also explains the loss of initiative on the part of weavers to work for the Company. The spinners too were much hard hit. Their wages remained fixed over long periods of time as it was in Malda and Radhanagar where they earned Rs. 2-8-0 and Rs. 3-0-0 per month respectively from 1792-93 to 1822-23.⁵¹ Their days were, however, numbered and spinners as a class became redundant with the import of machine made thread from Britain. As for the weavers, they too moved away to other professions if they could or died in starva-

46. Taylor's Report in Abdul Karim, "Dacca", 328.

47. Mitra, *Cotton Weavers*, Table 5 & 6.

48. Taylor's Report in Abdul Karim, 323.

49. Mitra, *Cotton weavers*, 109-15.

50. *Ibid.*, 115.

51. *Ibid.*, Table 7.



Table 1.2 Comparative prices paid by the English Company for Dhaka cloths during the period 1760-64, and 1800

Assortments	Number of Threads	Dimensions (cubits)	Prices paid 1760-64 (for Letter A in Arcot Rs.)	Prices paid in 1800 (for Letter A in sicca Rs.)
Dooris	1500	40x2	12	15
" middling	1900	Do	18	20-15
" broad	Do	40x2 $\frac{1}{4}$	20-4	22-10
" fine	2000	40x2	25	29
Charconna superfine	2100	Do	30	28
" " broad	Do	40x2 $\frac{1}{4}$	33-12	37-11
" " bogzie	Do	40x2	50	44
Ab-i-rawan	1400	Do	36	39-2
Jamdanees	Do	20x2	50	36-4
Secbetties ordinary	Do	40x2	5	7-8
Seerbands fine	Do	40x $\frac{1}{4}$	4	4-15
Malmal 1	200	40x2	7-8	10-4
" fine	1300	Do	9	12-7
" long	Do	Do	11	14-15
" superfine long	1400	Do	30	33-8
" superfine	1600	Do	20	22-5
" "	1800	45x2	47	50-4
Mamudhaitis	2700	40x2	3-9	5-4
Seerbands	600	40x1 $\frac{1}{4}$	3-4	3-12
Nainsook Chandpur fine	Do	40x2 $\frac{1}{4}$	10	12
" " superfine	Do	Do	16	18
Cossacs " fine	Do	Do	14	15-8
" " superfine	Do	Do	20	21
Hammams " fine	Do	24x3	16	14
" " superfine	Do	Do	21	18-8
Dimitty ordinary	Do	24x2	6	6-10
" fine	Do	Do	11-8	12-8

Source : John Taylor's Report in Abdul Karim, *op. cit.*, 324-26.

tion or in sickness when Indian markets shrank consequent upon dumping them with the British mill made cloths. Gupta,

towards the beginning of the present century, found those who still tenaciously held out, earning between 2 to 3 annas a day; while those who worked with their own capital admitted earning on the average from Rs. 15 to Rs. 20 a month.⁵²

1.4 EXPORT OF COTTON FABRICS

The chief item of Bengal's export was its cotton fabrics. It was exported not only to various parts of the Indian sub-continent but also to south-east Asian and Far-Eastern countries including China and to Europe. References to the production of varieties of extremely fine and delicate cotton fabrics are found in the writing of Ibn Batuta, Ma-huan, Duarte Barbosa, Sebastian Manrique, Bernier and a host of other travellers who visited Bengal. Manrique, for example, writing on the delicacy of Bengal fabrics (1640-41) says, "they manufacture the most delicate and valuable muslin pieces, 50 or 60 yards in length and 7 or 8 palms in breadth with the extremities embroidered in gold, silver and coloured silk. These muslins are so delicate that the merchants carry them in bamboo pipes two ordinary spans long and in this way they take them to Khurasan, Persia, Turkey and many other parts."⁵³ On the other hand, Bernier, the French merchant traveller who visited Bengal in 1666 tells us about the extensive quantity of its manufacture. He says, "I have been sometimes amazed at the vast quantities of cotton cloths, of every sorts, fine and coarse, white and coloured, which the Hollanders alone export to different places, especially to Japan and Europe. The English, the Portuguese, and the native merchants deal also in these articles to a considerable extent . . . It is not possible to conceive the quantity drawn every year from Bengal, for the supply of the whole of the Mughal Empire as far as Lahor, Cabol, and generally of those foreign nations to which the cotton cloths are sent."⁵⁴

Historical accounts show that even in the 18th century, the Asian and the European traders competed fiercely for their share

52. G. N. Gupta, *A Survey of the Industries and Resources of Eastern Bengal and Assam for 1907-08*, (Shillong 1908), 14.
53. *Travels of Fray Sebastian Manrique, 1629-1643*, Vol. I (translated by C. Eckford Luard) (Oxford 1927), 57.
54. Francois Bernier, *Travels in the Mughal Empire, A. D. 1656-1658*, (reprinted, Delhi 1968), 439.

of Bengal piece-goods. The Hindu, Armenians and Muslim merchants carried on a brisk trade with other parts of India, and with Turkey, Arabia and Persia. So were there European traders like the English, the French, the Dutch, and numerous private and free merchants who engaged themselves in the exportation of cotton piece-goods to Europe. The trade on this article was so lucrative that the province soon became the veritable sink where gold and silver disappeared without the least prospect of return. Some idea of the nationalities of merchants who traded during this time can be had from an account of the cloth trade of Dhaka in 1747 as is shown below.⁵⁵

(figures in Arcot Rupees)

For the Emperor at Delhi	100,000
For the nawab of Murshidabad	300,000
Jagat Seth	150,000
Turani merchants	100,000
Pathan merchants	150,000
Armenian merchants for Basra, Mocha and Jeddah	500,000
Mughal merchants, partly for home, partly for Basra, Mokka, etc.	400,000
Hindu merchants for home consumption	200,000
English Company for Europe	350,000
English individual merchants for foreign countries	200,000
French Company for Europe	250,000
French individuals for foreign markets	50,000
Dutch Company for Europe	100,000

Total: 2,850,000

55. Taylor's Report in Abdul Karim, 308-09.



In the second half of the 18th century, however, a great change came about. The English East India Company which acquired the *Diwani* of Bengal in 1765 decided to convey the surplus territorial revenue of Bengal in the form of goods (previously, purchases were made with imported bullion). To ensure a large supply of piece-goods for export, the Company exercised near-monopolistic control over the weavers, which was supported by the numerous servants and agents, armed with authority. "Merchants from the upper parts of Hindustan were in effect expelled, those concerned in exports by sea discouraged and the manufacturers not only restrained, but too often oppressed by the numerous tribes of native agents dispersed over the country, who served themselves at the expense [sic] both of their employers and of those with whom their [they] dealt."⁵⁶

Milburn provides us with the number of piece-goods exported by the English Company to England for the years 1771-92, and the sale value of such goods realised in London. From the figures supplied (see Table 1.2), it would appear that their exports were fairly steady till 1778 in which year 805,010 pieces were sold. There was then a decline till about 1783 due to the American War of Independence in which France, Spain and Holland fought against England. The goods imported in England were not, however, mainly consumed there. According to one of their memorials to the Lords of the Treasury in 1788, "of the goods imported into England, $\frac{17}{20}$ ths of the coarsest sorts of goods, known by the name of *calicoes*, and three-fifths of the goods under the denomination of muslins, are sold for exportation, as well as all coloured goods manufactured in India."⁵⁷ The ultimate consumers of the re-exported goods were the continental countries, Africa and the West Indies.

The French also made considerable exports during peace times. In 1756 when the Seven Years War broke out, it however, led to a complete suspension of the trade of the French East India Company and French private traders in Bengal. On return of peace in 1763, trade gradually picked up once again. The French private traders were in a very advantageous position during the period between 1764 and 1778. They traded on the capital of the

56. Letter from Cornwallis to the Court of Directors dated November 1, 1788. Cited in J. C. Sinha, *Economic Annals*, 81.

57. William Milburn, *Oriental Commerce*, Vol. II (London 1813), 233.



Table 1.3 : Number of piece-goods imported from Bengal and sold at the Company's sales in U. K., 1771-1792

Year	No. of pieces	Sale value (£)	Sale value (Sicca Rs.)
1771	604,757	1,073,841	85,90,728
1772	626,160	1,035,686	82,85,488
1773	761,489	1,224,467	97,95,736
1774	616,226	1,105,230	88,41,840
1775	517,761	960,244	76,81,952
1776	607,878	1,090,744	87,25,952
1777	655,332	1,114,734	89,17,872
1778	805,010	1,194,613	95,56,904
1779	338,465	524,636	41,97,088
1780	474,703	984,763	78,78,104
1781	301,617	582,116	46,56,928
1782	446,488	1,033,557	82,68,456
1783	437,802	1,049,224	83,93,792
1784	516,088	908,370	72,66,960
1785	768,228	1,426,252	1,14,10,106
1786	764,173	1,458,416	1,16,67,328
1787	745,449	1,317,934	1,05,43,472
1788	594,728	978,507	78,28,056
1789	614,839	943,096	75,44,768
1790	866,282	1,485,080	1,18,80,640
1791	709,540	1,131,717	90,53,736
1792	607,329	1,194,875	95,59,000

Source : William Milburn, *Oriental Commerce*, Vol. II, (London, 1813), p. 234. Sale value in sicca rupees has been calculated from the pound sterling value at the rate of one sicca rupee=2s 6d as used elsewhere by Milburn. By piece-goods, Milburn here meant, "calicoes and muslins of every description"



servants of the English East India Company who wanted to remit their fortune to England and keep their remittance concealed from their masters.⁵⁸ According to one estimate, the French trade after 1765 in Bengal was valued at five to six hundred thousand livres per annum.⁵⁹ After 1783, Frenchmen once again embarked upon trading ventures. The sale value of Bengal piece-goods realised at L'Orient in 1791 amounted to: Bengal calicoes, £143,748; prohibited Bengal goods, £13,014; and Bengal muslins, £318,343.⁶⁰

Though the Dutch were also quite active in their trade with Bengal, they were nevertheless less interested in the export of piece-goods. In 1750, the Dutch exported from Bengal 57,000 pieces, in 1753, 79,000 pieces, and in 1756, 51,000. The number fell to 45,000 in 1758 but rose slightly to 47,000 pieces in 1764.⁶¹ The main reason for Dutch disinterest, as explained by N. K. Sinha was that they "were more intent on securing saltpetre and opium than cotton and silk piece-goods."⁶² The average sale value of piece-goods exported from India in the seven years, 1785-1791, was only £109,570.⁶³ To this, however, we have to add the value of what was imported by the Dutch into the continent by the numerous ships which visited India during 1787-89 under Ostend, Hamburgh, Geneose, and other colours.

The revolutionary and the Napoleonic wars brought about certain changes in the pattern of exports. The French market for Bengal piece-goods was completely shut (excepting 1802-03) and thereby Bengal lost a valuable outlet for her exports. Apart from this loss, the export trade of the Company with England continued uninterrupted till 1801-02 excepting 1797-98 in which year the sale value of imports of the Company was less than half of the previous year.⁶⁴ This reduction was due to the growing intensity of war in Europe.⁶⁵ The Company on their own, however, reduced their imports from 1802-03 in view of the state

58. N. K. Sinha, *The Economic History of Bengal*, Vol. I. (Calcutta 1965), 36-37.

59. S. P. Sen, *The French in India* (Calcutta 1958), 91-92.

60. Milburn, *Commerce*, 234.

61. N. K. Sinha, *The Economic History*, Vol. I, 57.

62. *Ibid.*, 56.

63. Milburn, *Commerce*, 234.

64. *Ibid.*, 235.

65. Mitra, *Cotton Weavers*, 26.

of the markets which were then overflowing with substitutes of Bengal muslins at prices that precluded all prospects of gain on such articles at their sales. The import of private traders also came down sharply. The situation was compounded further by the Berlin and Milan Decrees of Napoleon. In 1806-07, the sale value of the Company's imported Bengal piece-goods amounted only to £201,107 from £1,060,612 in 1803-04.⁶⁶ "... the Berlin and Milan Decrees of Napoleon largely shut the continental market against Bengal piece-goods; while the Anglo-Danish hostility from 1807-08 made the situation worse still."⁶⁷ By the end of hostilities in Europe in 1815, England's cotton textile industry was on a firm footing, and she now exported her own products abroad.

Although there had been a decline in exports of piece-goods to the countries which traditionally imported Bengal products during the revolutionary and the Napoleonic wars, private traders from America and Europe now came up to the rescue with a demand for medium quality piece-goods. "The growth of American and European trade in Bengal led to a temporary revival of Indian textiles."⁶⁸ The value of private exports of piece-goods from Calcutta in 1795-96 amounted to S. R. 51,53,607 which rose dramatically to S. R. 1,85,94,676 in 1802-03 (see Table 1.3). Out of latter amount, Americans alone took goods worth over 40 lakh sicca rupees and Lisbon nearly 25 lakhs (see Table 1.3). The American trade, however, virtually came to an end in 1812 due to their abuse of neutral position by engaging in clandestine trade contrary to the terms of the Jay Treaty of 1794.⁶⁹ The private trade in Bengal piece-goods though picked up once again after the return of peace to Europe, yet it began to decline fast from the early 1820's due to increasing inroad of American and British textile industry. The loss of the European and American markets was to some extent compensated for a while by the growth of demand for Bengal piece-goods in Arabia, the Persian Gulf, Manila, Java and South America but that too rapidly went out of hands. Bengal's exports of piece-goods by 1831-32 had fallen to less than ten lakh sicca rupees (see Table 1.3)

66. Milburn, *Commerce*, 235.

67. H. R. Ghoshal, *Economic Transition in the Bengal Presidency, 1793-1833* (Patna 1950), 40.

68. A. Tripathi, *Trade and Finance of Bengal Presidency, 1793-1833*, (Calcutta 1956), 117.

69. *Ibid.*, 79.



Table 1.4 Private export of cotton piece-goods from Calcutta by sea, 1795-96 to 1837-38 (value in sicca rupees)

Year	Value	Year	Value
1795-96	51,53,607	1817-18	1,32,34,725
1796-97	74,26,752	1818-19	1,32,82,789
1797-98	57,48,617	1819-20	90,35,152
1798-99	57,74,057	1820-21	85,32,656
1799-1800	1,20,01,199	1821-22	77,01,319
1800-01	1,41,67,106	1822-23	79,99,521
1801-02	1,65,91,309	1823-24	58,72,729
1802-03	1,85,94,676	1824-25	42,25,719
1803-04	1,61,69,478	1825-26	34,13,454
1804-05	1,10,85,509	1826-27	28,51,213
1805-06	1,18,49,670	1827-28	27,56,168
1806-07	1,33,40,738	1828-29	21,36,004
1807-08	1,15,88,949	1829-30	15,27,692
1808-09	54,79,147	1830-31	11,93,391
1809-10	1,11,41,674	1831-32	9,67,701
1810-11	1,31,19,535	1832-33	9,01,851
1811-12	1,07,56,519	1833-34	7,43,853
1812-13	94,12,758	1834-35	8,68,443
1813-14	52,86,3862	1835-36	8,22,721
1814-15	84,95,599	1836-37	7,69,379
1815-16	1,31,56,587	1837-38	7,30,046
1816-17	1,65,99,943		

Sources : India Office Records, P/174, 13, Bengal Commercial Reports, 1795-1802; P/174/20. *Ibid*; 1808-09; P/174/25, *Ibid*; 1813-14; P/174/33, *Ibid*; 1821-22; P/174/41, *Ibid*; 1829-30; P/174/49, *Ibid*; 1837-38.



Table 1.5 : Destination and export value of cotton piece-goods from Bengal, 1802-03, and 1821-22, (amount in sicca rupees)

Destination	1802-03	1821-22
London	64,70,202	6,46,690
Lisbon	24,33,092	4,47,715
Cadiz	3,75,782	Nil
America	40,21,942	3,49,118
Batavia	87,059	Nil
Manila	1,28,486	5,39,968
Arabia and the Persian Gulfs	8,77,916	18,30,586
Coast of Sumatra	68,600	1,93,805
Coast of Malabar	10,42,642	1,62,888
Coast of Coromandel	2,44,312	59,370
Penang and Eastward	14,74,559	6,58,263
China	4,72,544	18,135
Pegu	1,18,192	27,465
Maldiv Islands	14,004	Nil
Mauritius	5,10,634	5,25,845
Sundry places	2,54,709	Nil
Malta & Gibraltar	Nil	4,15,538
Brazil	Nil	1,30,883
South America	Nil	7,50,295
Cape of Good Hope	Nil	3,03,729
Java	Nil	5,60,855
New South Wales	Nil	73,505
Total	1,85,94,676	77,01,319

Source : India Office Records, P/174/14, Bengal Commercial Reports, 1802-03; and P/174/33, *Ibid*; 1821-22.



1.5 DECLINE OF COTTON INDUSTRY

The decline of the handloom cotton textile industry in Bengal is attributable to a set of causes. Early years of the rule of the English East India Company was marked by oppression on weavers, establishment of monopolistic control and private trade by the Company's servants. No doubt such oppression was not uncommon during Mughal times but it then affected only a few weavers who worked in the royal *karkhanas*. On the contrary, during the English company's rule, coercion and constraints were much more systematic and widespread. It then became part of the new organisation of production formalised in the form of a series of regulations. Physical torture, fine, ferreting of goods, seizure of property and prosecutions for the recovery of advances stifled the weavers' initiative and made them disinclined to work for the Company. "Even if exaggerations like the story of the weavers' thumb be omitted, there is no gainsaying the fact that the oppression 'proved so destructive of industry' that many weavers gave up their profession".⁷⁰ On the other hand, Company's monopoly did not allow weavers to realise fair remuneration for their labour. Company's prices were not only lower but they remained constant even in years of rising prices of daily necessities of life. But worse still was the right of private trade accorded to the Commercial Residents. "They often abused Regulation XXXI of 1793 to force the weaving of piece-goods . . . to accept what price they chose to give for their own private investment. The Board of Trade Proceedings are full of complaints of exaction, fraud, and chicanery for which the native officers were usually more to blame but in which the Europeans always acquiesced."⁷¹

The tariff policy pursued in England during the 18th and beginning of the 19th century was also responsible for the decline of the cotton textile industry of Bengal. The Act of 1700 prohibited certain classes of *calicoes* for home consumption in England. As there was no well-defined line, dividing fine *calicoes* from coarse muslins, the act led to prohibition of certain classes of muslins too. Another act passed by the British Parliament in 1720 also prohibited the use of printed *calicoes* in England, whether printed

70. J. C. Sinha, *Economic Annals*, 85.

71. A. Tripathi, *Trade*, 218.

in England or elsewhere. "These two Acts therefore restricted substantially the export of our cotton. . . goods to England. . . printed and dyed *calicoes* and certain classes of muslins were shut altogether from the English market . . . the import of white *calicoes* was also restricted."⁷² The non-prohibited items (white *calicoes* and certain kinds of muslins) were also subjected to a 15 percent duty—a duty which was raised during the war with France till it reached £85 2s 1d percent upon importation of white *calicoes* for home consumption and £44 6s 8d percent for muslins and *nankeens* as could be seen from Table 1.6 below. The imposition of such high duty was considered necessary as the

Table 1.6 Rates of duties on Indian piece-goods imported into England for home consumption, 1802-1814

Year	White Calicoes			Muslins and Nankeens		
	£	s	d	£	s	d
1802	27	1	1	30	15	9
1803	59	1	3	30	18	9
1804	65	12	6	34	7	4
1805	66	18	9	35	1	3
1806	71	6	3	37	7	1
1809	71	13	4	37	6	8
1813	85	2	1	44	6	8
1814	67	10	1	37	10	0

Source : Edward Baines, *The History of the Cotton Manufactures in Great Britain*, (London 1835), 325.

cotton goods of Bengal could be sold even in 1813 for a profit in the British market at a price from 50 to 60 percent lower than those fabricated in England.⁷³ "Had this not been the case, had not such prohibitory duties and decrees existed, the mills of Paisley and Manchester would have been stopped in their onset, and could scarcely have been again set in motion, even by the power of

72. J. C. Sinha, *Economic Annals*, 26-27.

73. Opinion of H. N. Wilson cited by S. N. Gupta, *British*, 32.

steam. They were created by the sacrifice of the Indian manufacturers. Had India been independent, she would have retaliated, would have imposed prohibitive duties upon her own productive industry from annihilation. The act of self-defence was not permitted here, she was at the mercy of the stronger. British goods were forced upon her without paying any duty and the foreign manufacturer employed the arm of political injustice to keep down and ultimately strangle a competitor with whom he could not have contended on equal terms."⁷⁴ Here it may be mentioned that even as late as 1840, Bengal cotton piece-goods imported into England paid a duty of 10 percent while British piece-goods and yarn imported into India paid a customs duty of only $3\frac{1}{2}$ percent levied purely to meet the charges of foreign trade administration.

But it was the Industrial Revolution in England during the second half of the 18th century that caused the most serious blow to Bengal's cotton manufactures. One after another mechanical inventions followed that revolutionised the cotton industry in Great Britain. First to come in a long series of inventions was the Hargreaves spinning jenny (1767) which was followed by Arkwright's water frame (1768) and Crompton's mule (1775). The latter could spin yarn so fine that the manufacture of muslin became possible in England. Other important inventions were Cartwright's power loom and Bell's process of cylinder printing in 1784 and Berthollet's process of bleaching by chlorine in 1785. By 1787, the cotton textile industry in Britain was in a position to turn out no less than 500,000 pieces of muslins.⁷⁵ Thus, observed the Court of Directors, "By the great ingenuity and persevering industry of the British manufacturers, the article of muslins in the ordinary and middling assortments is at length brought to that degree of perfection that there is every reason to apprehend a sufficient supply of the best Surat cotton will enable them to meet the Indian white piece-goods of the above description in the foreign markets."⁷⁶ Production was further enhanced by improving the power loom by Johnson in 1803 and by Horrocks in 1813. These improvements in the cotton industry turned England into the foremost producer of textile goods in the world.

74. *Ibid.*, 32-33.

75. Milburn, *Commerce*, 232.

76. Cited by J. C. Sinha, *Economic Annals*, 247.

Not only her production capacity had enormously increased, she was also able to bring down the cost of production of yarn and piece-goods significantly. By 1830, the English yarn was being spun at less than half the cost of the Indian yarn,⁷⁷ and the price of British piece-goods reduced to such an extent as to virtually stop the importation of Bengal piece-goods any more.⁷⁸ The table was now turned, and cheaper English piece-goods and yarn began to be imported into Bengal in large quantities (as could be seen from Table 1.7). "Indian piece-goods were now driven out of the native market and the rapid increase of British twist and yarn carried the war into every village home, where, from time immemorial, cotton was spun as a subsidiary employment and an insurance against the vagaries of the season."⁷⁹

Internal tariff in the shape of transit duties also precipitated the decline of the cotton textile industry in Bengal. Foreign textile goods imported into Bengal paid a customs duty of 2.5 percent by the Charter Act of 1813 but those produced in Bengal had to pay much higher tax. Thus cotton paid a duty of 5 percent in its raw state; when made into yarn, it paid 7.5 percent more; when manufactured into piece-goods, 2.5 percent more; and if it happened to be dyed after a *rawannah* had been taken out for it as white cloth, it became liable to another charge of $2\frac{1}{2}$ percent; being 17.5 per cent in all.⁸⁰ "If the effect which these restrictions have in depressing its productive powers were properly understood, people would no longer wonder at the low state of Indian manufacturing industry. Raw cotton must be made into yarn, the yarn must be manufactured into cloth, and the cloth must be dyed in the same locality, lest the extra charge on passing a *chokey* be incurred. Under this plan the varying capabilities of different places, with respect to the skill of their inhabitants and the circumstances of their natural situation, are rendered of no avail in assisting the productive powers of labour."⁸¹ The consequences were, in fact, according to Amales Tripathi, "more harmful to India than high tariffs in England, as it facilitated capture of her

77. A. Tripathi, *Trade*, 197.

78. Comparative prices of British and Indian piece-goods as in 1817 may be seen in *ibid.*, 289.

79. *Ibid.*, 204.

80. C. E. Trevelyan, *Report Upon the Inland Customs and Town Duties of the Bengal Presidency* (ed. by T. Banerjee) (Calcutta, reprint 1976), 99.

81. *Ibid.*, 99-100.



home market by the British cotton manufacturer and precipitated the inevitable decline of producing centres like Dhaka so feelingly described by Charles Trevelyan before the Select Commi-

Table 1.7 Value (in sicca rupees) of Cotton piece-goods and Cotton yarn and twist imported into Bengal, 1816-17 to 1837-38

Year	Value of Piece-goods imported	Value of piece-goods imported from U. K.	Value of yarn & twist imported	Value of yarn & twist imported from U. K.
1816-17	Not available	3,15,102	Nil	Nil
1817-18	"	11,20,909	"	"
1818-19	"	26,55,192	"	"
1819-20	"	15,85,898	"	"
1820-21	34,52,851	25,55,908	"	"
1821-22	57,96,801	46,81,870	4,930	"
1822-23	73,41,493	65,77,279	Nil	"
1823-24	42,15,548	37,16,278	11,834	"
1824-25	56,05,746	46,27,705	1,24,811	81,145
1825-26	44,16,401	36,85,607	1,49,867	1,41,305
1826-27	49,08,972	38,82,267	8,24,362	8,09,052
1827-28	56,14,047	50,39,193	18,84,844	18,42,110
1828-29	80,92,809	77,55,743	34,82,730	33,00,186
1829-30	54,29,540	50,83,440	15,63,770	14,43,692
1830-31	66,35,864	not distinguished	33,33,153	31,98,345
1831-32	50,82,228	45,19,724	45,65,751	44,84,145
1832-33	50,64,183	43,96,399	25,45,440	22,85,758
1833-34	53,70,266	44,02,581	26,82,657	24,09,797
1834-35	54,07,006	not distinguished	30,48,917	29,43,279
1835-36	50,97,971	44,24,134	38,72,842	36,98,356
1836-37	84,34,153	75,29,255	46,54,910	41,86,307
1837-38	61,55,112	54,57,750	45,89,610	44,02,473

Sources : India Office Record, P/174/33, Bengal Commercial Reports, 1821-23; P/174/41, *Ibid*; 1829-30; P/174/49, *Ibid*; 1837-38.

tee of the House of Commons in 1840 and by Bishop Heber in his *Indian Journal*.⁸² The collection of these transit duties, it may also be pointed out were characterised by harassment, delay and illegal exactions.⁸³ The Government of Bengal abolished the transit duty in 1836 but by then the Indian cotton manufacturers had already been destroyed.

Another cause which contributed to the decline of this indigenous handicraft was the disappearance of the legal courts scattered over the country which generally maintained a small army of weavers. With the end of their patronage with the advent of British rule, the production of the finest muslins came to an end. ". . . the real cause at work, especially in the case of the finest fabrics of Dhaka, was the lack of patronage of the imperial and vice-regal courts. With the advent of British rule, this patronage came to an end and the muslin industry naturally decline."⁸⁴ Besides, native tastes had in addition been attracted by the brilliant colouring and superior finish of the power loom fabrics. The great regard for everything foreign by the Indian middle class also helped establish the *vilayati* goods in their competition with local products.

Textile manufacture thus lost not only its foreign market but saw the invasion of her own territory increasingly by the mills of Great Britain from about 1813-14. This was followed by the pouring in into Bengal of British made cotton twist and yarn from the year 1824. Millions of spinners within a very short span of time lost their employment bringing untold misery and suffering unparalleled in history. Indeed so grave was the catastrophe that even the then Governor-General of India commented in 1834 that "the misery hardly finds a parallel in the history of commerce. The bones of the cotton weavers are bleaching the plains of India."⁸⁵ This decline though rapid in the 1820's and 1830's continued throughout the 19th century. What happened thereafter, is briefly told somewhere else in this book.

82. Tripathi, *Trade*, 210.

83. Rohinimohan Chaudhuri, *The Evolution of Indian Industries*, (Calcutta 1939), 326-29.

84. J. C. Sinha, "Dacca Muslin Industry", 48.

85. S. N. Gupta, *British*, 36-37.

2. 0 SILK INDUSTRY

The original discovery of the utility of silk and the practice of silk manufacture took place in the ancient Empire of China. From China, it was communicated to Persia, India, Japan, and to the East generally. Though it is no longer possible to tell how and when the industry first took root in Bengal, there can be little doubt that there was silk in these parts during the reign of the last Hindu dynasty at Gour. Silk cloths were then exported to the important cities of Dhaka, Sonargaon, and Saptagram. The Muslim conquest though affected the industry adversely owing to some religious prohibitions, it soon revived, or as the native account puts it, silk-worms were brought back to the Mahananda by one Sita Basani of Jalalpur. References to this industry are also found from Chinese missions early in the 15th century. During the time of Akbar, according to Abu al Fadl, a very large quantity of silk cloth was produced in Sarkar Ghoraghat (Rajshahi). Early European travellers also reported the availability of plentiful 'goods raw silk' in these parts at a very low price. As such, efforts were directed by the English East India Company about 1620 to obtain silk by establishing factories at Patna and in the Orissa coast in the 1630's. It was, however, only in the 1650's that silk was imported directly by the Company from Bengal.

About the year 1658, the English East India Company established their own factory at Kasimbazar, a few miles from Murshidabad. Prior to that, the Dutch had also established their own factory in the same area in 1653. Francois Bernier, the celebrated traveller, visiting Bengal in 1666 found, "such a quantity of cotton and silk that the kingdom may be called the common storehouse for those two commodities of merchandise not of Hindustan or the Empire of the Great Mughal only but of all the neighbouring kingdoms and even of Europe."⁸⁶ Jean Baptiste Tavernier, another visitor to Bengal, estimated the annual output of raw silk at Kasimbazar in the middle of the 17th century at about 2.5 million lbs. Out of this amount, according to him, three-fourths of a million lbs. was sent to Gujrat and other parts of India though a portion of it was also taken to Central Asia by the merchants of Tartar. The Dutch also exported every year three-

86. Francois Bernier, *Travels in the Mughal Empire*, Vol. I, 439.

fourths of a million lbs. of Kasimbazar raw silk either to Japan or to Holland and the remaining one million lbs, was worked up in Bengal into silk fabrics.⁸⁷ To foster the production of raw silk in Bengal the English Company in 1686 opened another important silk agency at Malda. Subsequent to this, many more silk factories were set up with European capital and enterprise, notably at Kumarkhali, Sonamukhi, Radhanagar, Ghatal, Rampur Boaleah, Surpur, Ganutia, Jangipur, Sarda and Lakshmipur. So flourishing did the industry had become by the middle of the 18th century that nearly seventy lakh rupees worth of raw silk was entered in the customs office book at Murshidabad, exclusive of the European 'investments'.

2.1 MULBERRY CULTIVATION AND REARING

The silk industry in India was mainly confined to Bengal as the soil of other parts of India was not suited to the cultivation of mulberry. The tree thrives best in the hard sticky soil of the *Barind* area and was, therefore, mostly cultivated in the districts of Murshidabad, Rajshahi, Malda, Nadia, Bakura, Birbhum, Midnapore, and to a lesser extent in the southern part of Dinajpur, Rangpur and the western part of Bogra. Of all these places, Murshidabad was undoubtedly the chief centre for mulberry cultivation. Even as late as 1876, the extent of mulberry cultivation was estimated at 50,000 bighas (17,000 acres).⁸⁸ Malda was another district where mulberry crops were widely cultivated and worms raised. According to the Collector of the district, no less than 50,000 bighas or nearly 20,000 acres of land were annually under mulberry cultivation. This was the Collector's lowest estimate; and in a favourable year, he was of opinion that these figures were largely exceeded.⁸⁹ With the expanding commercial activities of the 17th and 18th centuries, mulberry cultivation also increased in Rajshahi.

Efforts were made by the Company's government from the very inception of their rule to improve the quality of mulberry plants and silk worms. This was undertaken as there were great variations in the yields and the qualities of the different cocoons

87. J. B. Tavernier, *Travels in India*, (Ball's edition), Vol. II (London 1889), 2-3.

88. Statistical Account of Murshidabad, 152 in W. W. Hunter, *A Statistical Account of Bengal*, Vol. IX, *Districts of Murshidabad and Pabna* (London 1876).

89. Hunter, *Statistical Account*, Vol. VII, Maldah, 96-97.

and *bunds*. Moreover, the Maratha incursions had led to a large scale desertion of rearers leading to degeneration in the quality of plants. In 1767, Harry Verelst, the Governor of the Fort William personally urged the zamindars to render all possible encouragement to the cultivation of mulberry. After 1769-70 famine when there was a sharp decline in mulberry cultivation due to increased post-famine concentration on food-crop production, the Company again offered liberal rates of rent, where waste lands were reclaimed for mulberry.⁹⁰ But the policy of realising as much revenue as was possible from the lands did not permit the revenue collectors to give the mulberry growers a preferential treatment. Indeed the conflict between the two branches of the Company's interest—commercial and revenue clashed, harming the investment in silk.⁹¹ The growers of silk pods continued to pay higher rents leading thus to a rise in the price of silk. In 1771, General Kyd endeavoured to supplement the efforts of the Bengal government by bringing over a quantity of the eggs of the Chinese *Bombyx mori* but it probably brought no improvement at all. In 1775, G. Williamson, Superintendent of Silk Investment, Calcutta, made silk culture his special study and wrote a treatise in which he, among other things, described the proper places for the rearing of silk worms, soil for mulberry plants, methods of hatching eggs and of feeding the silk worms, their sickness and treatment, formation of silk pods and the mode of sorting them and finally, of reeling silk.⁹² A nursery for the supply of silkworms and mulberry plants was also established in the late 1780's at the Botanical Gardens of Calcutta. Still later, permission was granted to the Resident of Santipore to incur an outlay not exceeding Rs. 25,000 on large nurseries of mulberries and rearing with hired labour. But no permanent success was achieved, due probably to extra work load on the commercial residents and the higher costs of production, involving payment for all labour processes. The end results of all those efforts were, however, of very little lasting value. "The methods of cultivating the mulberry and the kinds cultivated were in 1835 just what they

90. See Section 1.4 of Binay Bhushan Chaudhuri's chapter on 'Commercialisation of Agriculture' in this volume.

91. M. Huq, *The East India Company's Land Policy and Commerce in Bengal, 1698-1784*, (Dhaka 1964), 217.

92. Abdul Ali, "The Silk Industry in Bengal in the Days of John Company", *Bengal Past and Present*, 29 (1925), 36.

were a century before. Attempts had been made to introduce new stocks of worms but the worms introduced from China had not thriven, and the attempts do not seem to have been made with energy enough to have warranted any measure of success."⁹³

2.2 RAW SILK PRODUCTION AND EXPORT

Although the English East India Company was not so much directly involved with the sericultural aspect of the industry, it took considerable interest in silk manufacture. The policy pursued in this regard was the setting up of factories for the production of raw and wrought silk and the exportation of these two items to England. But gradually they were compelled by force of circumstances to favour the production and exportation of raw silk to the detriment of finished products of looms. This was due to certain reasons. The trade in raw silk was highly profitable. Hence, with political ascendancy in Bengal after 1757, the Company gradually took steps to shift to raw silk production. In 1769, the Court of Directors declared, "There is no branch in our trade which we more ardently wish to extend than that of raw silk. . . and in particular we would have our endeavour to induce the manufacturers of wrought silk to quit that branch and take to the winding of raw silk."⁹⁴ Later on when imports from China had shrank and supplies to Europe became highly uncertain, the urgency became all the more pressing.

Along with the shift in policy, the Company made ardent efforts to improve the quality of Bengal's raw silk which was uneven and had many breaks in it. In 1757, Richard Wilder was deputed to Kasimbazar to investigate the causes of the defective quality of Bengal raw silk. He worked in Bengal till his death in 1761 and was able during the intervening period to invent a machine for winding silk, teaching the art of silk-reeling to the villagers inhabiting the eastern side of the river Padma and visiting the different silk factories of the Company. The silk winding machine was found highly useful by the Kasimbazar factories and considerably remedied their defective silk winding.

93. Warner, *The Silk Industry of the United Kingdom: Its Origin and Development*, (London n. d.), 383-84.

94. Despatches to Bengal, Vols. 3 & 17, March 1769. Cited in K. M. Mohsin, 'অষ্টাদশ শতকে মুর্শিদাবাদের' রেশম শিল্প', *বাংলা একাডেমি পত্রিকা*, দ্বিতীয় সংখ্যা, ১৩৭৬, ১১৫।

2.1 : Statement of the Quantities of Raw Silk imported (in small lbs.) by Great Britain from Bengal, 1773-1835

Year	Quantity	Year	Quantity
1773	145,777	1805	835,904
1774	213,549	1806	408,532
1775	208,881	1807	493,585
1776	515,913	1808	378,498
1777	563,121	1809	162,747
1778	602,964	1810	584,718
1779	737,560	1811	404,756
1780	235,216	1812	982,427
1781	785,673	1813	1,084,350
1782	77,610	1814	836,966
1783	611,071	1815	802,286
1784	149,394	1816	779,764
1785	324,307	1817	502,335
1786	252,985	1818	1,160,976
1787	178,180	1819	751,027
1788	305,965	1820	1,071,447
1789	427,263	1821	990,463
1790	320,826	1822	1,042,617
1791	373,503	1823	1,161,186
1792	380,107	1824	931,649
1793	736,081	1825	919,436
1794	521,460	1826	1,237,023
1795	380,352	1827	1,026,039
1796	347,936	1828	1,136,309
1797	92,204	1829	1,387,754
1798	353,394	1830	1,186,163
1799	644,819	1831	1,094,877
1800	583,086	1832	956,453
1801	444,862	1833	750,980
1802	244,809	1834	810,641
1803	405,093	1835	727,535
1804	621,710		

Source : George Watt, *A Dictionary of the Economic Products of India*, Vol. VI, Part III (second reprint, Delhi, 1972), pp. 189,195.



Another gentleman by the name of Chamier was sent in 1769 as Superintendent of raw silk winding but he died the next year. In 1770, the Court of Directors sent Wise, Robinson and Aubert as Superintendents of raw silk winding with 'a staff of reelers and mechanics chosen from Italy and France with tools, implements and models' to begin their efforts. This was followed by another batch of Italian spinners in 1771. Their combined efforts led to the construction of filatures at Kasimbazar, Boalia, Kumarkhali and Rangpur which could each hold as many as hundred furnaces. "Between 1770 and 1775, the Italian method of reeling was introduced in the Company's factories and there was a great improvement in the quality".⁹⁵ To ensure the Italian method, yet another batch was sent in 1780 comprising of Baumgastner, Briganti, Frushard and Poggio. The successive efforts of the Company bore fruit and reeling vastly improved.

As a result of improvements in the winding processes, Bengal was able from 1772 onwards to export filature wound silk in place of 'country wound' silk. However, it was not till 1775 that the new mode was fully in operation, the intermediate period being spent in erecting buildings, fitting up furnaces, reels, & c, instructing the artisans and above all recovering from the calamitous effects of the famine of 1769-70. The average export during these years was 187,494 small lbs. only⁹⁶. The export figures vastly increased in the subsequent years, the average being 560,283 small lbs. for the period 1776 to 1785 (see Table 2.1). The Company could not, however, reap any benefit from his enlarged export trade, and in fact sustained a loss of £884,744 for the years above alluded to.⁹⁷ This was assigned to indifference and corruption on the part of contractors who supplied the Company's investments. "... the Company's interests were sacrificed; the manufacturers were oppressed; and as a natural result, the goods were furnished of debased qualities, and at extravagant rates of cost".⁹⁸ Lord Cornwallis thereafter brought about certain radical reforms to assure the profitability of the silk trade. He reverted to the agency system in 1787 and reduced the statutes of Kasimbazar

95. *Report on an Inquiry into the Silk Industry in India*, (by Maxwell-Lefroy and E. C. Ansorge), Vol. I, (Calcutta 1917), 9.

96. George Watt, *Economic Products*, Vol. VI, Part III, 186.

97. *Ibid.*

98. *Ibid.*, 187

Table 2.2 Statement showing the profit of Company's silk trade, 1786-1803 (figure in £).

Year	Prime cost including freight & charges	Sale amount in England	Profit	Loss
1786	192,898	198,507	5,609	
1787	133,795	145,712	11,917	
1788	212,357	221,888	9,531	
1789	276,732	289,271	12,539	
1790	268,790	302,993	34,203	
1791	290,159	320,395	30,230	
1792	262,902	276,317	13,415	
1793	274,553	221,329	...	53,224
1794	290,419	309,743	19,324	
1795	378,512	381,385	2,873	
1796	335,315	327,427	...	7,888
1797	262,917	258,644	...	4,273
1798	277,990	322,873	44,883	
1799	324,460	390,149	65,689	
1800	208,969	297,645	88,676	
1801	262,428	395,410	1,32,982	
1802	156,502	269,249	112,747	
1803	195,117	292,659	97,542	
Total=	4,604,815	5,221,596	682,166	65,385

Source : George Watt, *Economic Products*, 190.

factory from a Chiefship to a Residency. ". . . by abolishing the mode of provision by contract and substituting in its room that of agency, corruption has ceased; errors have been corrected; the manufacturers have been relieved; the fabrics have been restored, and goods of the choicest description have been supplied at genuine and reduced rates of cost."⁹⁹ A further move was made in

99. George Watt, *Economic Products*, 187.

1796 to guard against future losses. Company's silk was thrown into organzine in England for using in fabrics known as florentines, and sarcenets, as well as in velvet and ribbon. In spite of vicissitudes of the French Revolution and the Napoleonic wars, it succeeded very well. The reforms brought about a good return to the Company-leaving a net profit of £616,781 in 18 years, which on an average is £34,266 per annum, or about 13 per- cent (see Table 2.2). The market for Bengal's raw silk further brightened with the enforcement of the Continental Blockade and the cessation of the import of European silk since about 1811. Being undersupplied with raw silk, the British manufacturers now appealed to the Court of Directors to rescue them and the poorer classes working under British throwsters from the capricious commercial policy of the enemy.¹⁰⁰ This being conveyed to the Bengal government, measures were taken to gear up exports, and the same continued right up to the early 1830's. Thereafter, the economic depression intervened reducing the exportation considerably (see Table 2.1). Meanwhile, in 1832 the Company threw open the trade and disposed off its silk factories to private firms. The new owners, European firms like Watson and Company; James Lyall and Company; Louis Payen and Company; and the Bengal Silk Company kept up the export drive, and succeeded in enlarging silk exports in the next twenty years from 1836 to 1855 to an average for the period of 1,435,222 lbs per annum.¹⁰¹ Bengal's raw silk export continued in a vigorous manner for sometime thereafter taking advantage of the ruination of European silk industry as a result of deadly diseases in the 1850's and early 1860's. With the regeneration and production of better qualities of silk in Europe in the 1860's and due to certain adverse factors affecting Bengal's silk industry (which we propose to deal later on), her raw silk export began to decline rapidly from the early 1870's. "The exports of . . . reeled mulberry silk began to exceed one million pounds in weight about 1820, and in 1857 (the year when utilisation of waste and wild silk was discovered) the Indian exports stood at one million seven hundred thousand pounds. Twenty years later the declarations of mulberry reeled silks had fallen to about one quarter that amount, and during the past four years they have averaged four

100. See Benoy Bhusan Chaudhuri's article in this volume.

101. Warner, "Silk Industry", 384.

hundred thousand pounds."¹⁰² Her exports of raw silk to foreign countries in the successive years to come gradually petered out, amounting to less than seven lakh rupees in 1921-22 which was only .08 percent of the export trade of Calcutta in that year.¹⁰³

Table 2.3: Quantity (in lbs). and Value (in Rs.) of Raw Silk exported from Bengal to foreign countries, 1902-03 to 1921-22.

Year	Quantity	Value
1902-03	5,97,597	46,33,078
1903-04	5,06,842	40,36,499
1904-05	4,08,376	31,74,131
1905-06	4,86,124	37,30,582
1906-07	6,34,982	50,13,224
1907-08	5,12,142	41,33,559
1908-09	4,53,128	34,05,528
1909-10	3,19,702	23,01,100
1910-11	3,27,947	23,12,605
1911-12	1,90,425	14,04,051
1912-13	1,04,587	7,78,768
1913-14	52,961	4,65,055
1914-15	28,905	2,69,560
1915-16	23,837	2,06,400
1916-17	70,467	8,18,366
1917-18	44,303	5,26,640
1918-19	53,024	8,52,860
1919-20	21,494	3,07,010
1920-21	16,418	3,15,360
1921-22	20,317	3,82,955

Sources : *Report on the Administration of Bengal*, 1911-12, 24; *Ibid.*, 1921-22, p. 25. Figures exclude the quantity and value of filature waste and cocoons.

102. Watt, *Economic Products*, 201. The actual figures of raw silk exported from British India, other than Tasar and wild silk, were as follows:

1886-87	410,640	lbs,
1887-88	361,869	"
1888-89	381,878	"
1889-90	502,301	"
1890-91	369,007	"

see Watt, *Ibid.*, 199.

103. *Report on the Maritime Trade of Bengal*, 1921-22, 14. There had been a growth of a traffic in waste and wild silks from about 1858 but that too had diminished as the figure indicates. However, the "entire returns of raw silk, sent from India during the administration of the East India Company...be accepted as having been reeled silk." Watt, *Economic Products* 196.

Besides foreign export of raw silk by sea, there was also considerable internal trade in the article. Before the famine of 1770, there were about ten Indian merchants stationed at Murshidabad who together exported from 13 to 20,000 maunds of raw silk by sea to Bombay and Surat.¹⁰⁴ The value of Bengal raw silk and piece-goods exported to Surat in 1765 numbered

Table 2.4 Quantity (in lbs.) and Value (in Rs) of coastline export of raw silk from Bengal to other provinces, 1902-03 to 1911-12.

Year	Quantity	Value
1902-03	30,470	1,74,184
1903-04	23,740	1,28,860
1904-05	20,795	1,10,725
1905-06	17,765	1,05,596
1906-07	16,830	1,17,340
1907-08	22,645	1,78,703
1908-09	26,708	1,87,766
1909-10	19,204	1,55,440
1910-11	17,408	1,59,660
1911-12	15,336	1,44,950

Source : *Report on the Administration of Bengal*, 1911-12, 24.

195 bales valued at Rs. 2,57,650.¹⁰⁵ Raw silk was also exported by sea as well as by land to the Nizams dominions where these were manufactured into wearing apparel. In addition raw silk was sent by land to the upper Indian markets at Nagpur, Benares, Mirzapore, and also to Poona, Lahore, Multan and Chutterpore in central India. From towards the end of the 18th century, individuals engaged in private trade (Commanders and officers of the Company's ships) and those to whom privilege tonnage was allowed by the Act of 1793, also exported raw silk to the coasts of Coromandel and Malabar besides such places as London, the gulfs of Arabia and Persia, and a small portion to Pulo Pinang and places to the eastward. From 1795-96 to 1805-06, they exported

104. N. K. Sinha, *The Economic History of Bengal*, Vol. I, 112.

105. Eur. Ms. D. 281. Cited by Sinha, 128.

raw silk worth 1.61 crore sicca rupees to the above mentioned places, out of which only 40 lakh sicca rupees, worth goods was supplied to London.¹⁰⁶ But the internal trade in raw silk, however, started to decline in the last quarter of the 19th century. A noticeable feature of this decline was the disappearance practically of the coastwise exports. In 1877-78, the coastline export of raw silk from Bengal to other provinces was about 684,888 lbs. (including non-mulberry varieties).¹⁰⁷ But the trade had shrunk to almost vanishing point by the beginning of the 20th century, the average for the ten years from 1902-03 to 1911-12 being only of 21,090 lbs. worth 1,46,322 rupees (see Table 2.4).

2.3 MANUFACTURE OF SILK FABRICS AND EXPORTATION

Manufacture of silk piece-goods and mixed fabrics were also once an important industry in the Presidency, Burdwan and Rajshahi divisions. In fact, silk fabrics constituted the single most important items of export of the English East India Company from India in the second half of the 17th century. They imported sarcenets, taffates and other plain or striped silks and pelongs as were not usually made in England and the price of which was also much cheaper than similar goods hitherto imported from France, Italy or Holland. Unfortunately, however, the production of silk and mixed silk fabrics did not find encouragement for long. In 1673 and again in 1681 the weavers of Spitalfields complained that they sustained injuries by the importation of the East India Company of wrought silk and other fashionable articles of wear. Their anger grew to such height that in 1697, they even attacked the India House in London, as a result, in 1700 was passed an act of Parliament by which 'all wrought silks Bengals, and stuffs mixed with silk' was prohibited from being worn or otherwise used in Great Britain. Similar laws were also enacted during the reign of the first three Georges. The acts did not, however, affect the re-export trade of the Company and hence the East India Company continued to export wrought silk regularly for re-exportation to different countries. In some places, as in Kasimbazar, Malda and Santipore, they even carried on the manufacture of piece-goods.

106. Sinha, *Dacca Muslin*, 191.

107. *Report on the Administration of Bengal, 1911-12*, 24.

The staple variety of Bengal's long period of export was *Corah* (also spelled *Cora* or *Korah*) or Indian plain undyed silk piece-goods. These were imported in England mainly for being printed and then exported to other European countries. In 1838 and 1839, 326,000 pieces and 390,000 pieces of *corahs* were imported respectively of which only 16,000 and 38,000 pieces were retained for home consumption.¹⁰⁸ Another important item of European export was *Bandannas* or Indian printed handkerchiefs (along with other kinds of handkerchiefs). This trade was promoted by the low price and a preference shown by the Frenchmen for Indian silk. In 1837, Indian *bandannas* and other handkerchiefs worth £174,500 was exported from the United Kingdom to France alone (see Table 2.5). *Choppas* were another export item of the Company. The manufacture of gold brocades, called *kincobs*, and other cloths of fine silks which were exported in large numbers, had very much diminished by 1890. A special kind of cloth called *kasidas*, or embroidered muslin pieces, chiefly used by Muslims during prayer time, and as turbans were woven of Assamese *muga* silk at Dhaka. (When it was woven, a pattern was stamped on it, which was embroidered by women). The cloth was extremely popular with the Arabians and Turks but the export of *kasidas* had greatly diminished since the decline of the Turkish power. "Previously every Turkish soldier used to wear a *kasida* *Pagree*, but now-a-days it is only the higher officers of the Army who wear such *pagrees* (turbans), whereas the common soldiers have a *fez* only."¹⁰⁹ In Dr. Taylor's time about 120,000 pieces of cloth were annually worked at Dhaka. The total value of the *kasida* cloth exported in and around 1907-08 from Dhaka was about two lakh rupees.¹¹⁰ In Dhaka, *bafla* cloths known as *azizi* was also made of bleached cotton and Assamese silk. The cloth was formally exported and worn by the Jews, but by 1890 only a small quantity was woven.¹¹¹

Besides production for export to foreign countries, home demand for silk fabrics of various kinds was very strong as the Hindu population of India as a whole needed indigenous silks on

108. R. C. Dutt, *The Economic History of India in the Victorian Age*, 117.

109. G. N. Gupta, *The Industries and Resources of Eastern Bengal and Assam from 1907-08*, 11.

110. *Ibid.*

111. E. W. Collin, *Report on the Existing Arts and Industries in Bengal*, (Calcutta, 1890), 10.

certain religious occasions. *Chaddars*, *dhotis*, *saris* and *jores* were made abundantly both with *khungru* and filature silks. *Khungru* silk was used for heavy qualities and filature silk for very fine fabrics. Besides whole pieces, *thans* made of *matka* (made with pierced cocoons of mulberry silk) were produced for exportation to Orissa and North India. It was used for making suits and frocks and for making coarse cloths. It was a cheap fabric and being made of hand spun thread was rough. *Tasar thans* were woven into certain fabrics in Bankura and Birbhum. *Eri thans* of which there was considerable local trade was once made in Dinajpur, Rangpur, and Bogra, Murshidabad also made them for export. Mixed cloth of *tasar* and cotton, known as *bafta* were woven at Dhaka, Bhagalpore, Bankura and Maldah. In such cloths the warp was *tasar* and the woof cotton.

The decline of the industry was, however, very rapid. The total value of Maldehi cloth exported annually was estimated by Dr. B. Hamilton at Rs. 250,000 or £25,000 in 1810, it had fallen to Rs. 6,000 or £600 in 1876.¹¹² The value of the outturn of Murshidabad silk, on the other hand, was six lakhs of rupees in 1875 but the industry had fallen off by 1890.¹¹³ The decline could also be seen from the employment figures. The number of persons supported by silk spinning and weaving in 1901 was 50,393 in Bengal, and the same had come down to 13,587 in 1921, out of the later figure 4,526 persons were supported by spinning and 9,061 by weaving.¹¹⁴ Of those supported by spinning, 92.53 percent were confined to Maldah district alone. On the other hand, silk weaving became localised chiefly to Bankura and Murshidabad districts which supported 3,240 and 2,918 persons respectively in 1921. Birbhum was a remote third with 957 persons.¹¹⁵ Their proportionate share to Bengal's textile silk weaving was 35.76, 32.20 and 10.56 per cent. The rapid decline of the industry ultimately led to importations of foreign silk goods. It caused a drain of more than 14 lakh rupees in 1904-05, and by 1920-21 to 32 lakh rupees.¹¹⁶

112. W. W. Hunter, *A Statistical Account of Bengal*, Vol. VII, Maldah, 98.

113. E. W. Collin, *Bengal*, 8.

114. *Census of India, 1921*, Vol. V, Bengal, Part I, Report (by W. H. Thompson), 402-03.

115. *Ibid.*, 103.

116. *Statistics of British India, Part II, Commercial, 1909-10*, (Calcutta, 1911), 18; *Report on the Maritime Trade of Bengal, 1921-22*, 4.

2.4 DECLINE OF SILK INDUSTRY

The decline of the silk industry may be attributed to several causes. The attack of silkworms by virulent and infectious diseases was one. Of the four principal diseases, pebrine or '*kata*' was the worst, and this was, according to Mukerji, unknown in Bengal till the early 1870's. The disease started in the egg stage or in the worm stage and in about 30 days time i.e., before the spinning stage it caused the death of the worm. The members of a Silk Committee which set in 1906 were of definite opinion that pebrine was the main cause of the continuance of the decline in the production of mulberry silk in Bengal. Other diseases which continued alongside and caused damage to worms and plants were Muscardine, known in Bengal as '*Chuna*' or '*Chuna-kete*' which was caused by a mould or minute fungus; Flacherie or '*Kala-shira*' or '*Shalfa*' as it was generally known, which brought about by indigestion in the worms; and Grasserie or '*Rasa*' as was known in Bengal. It was caused largely due to unsuitable food or faulty ventilation. Considerable loss was also occasioned by the attacks of various parasitic and other enemies, especially by the fly-pests.

Unequal duties in England also paralysed the industry. While British silk goods conveyed in British ships to India paid a duty of $3\frac{1}{2}$ percent, Indian silk goods imported into England paid a duty of 20 percent and upwards.¹¹⁷ Although the Indian silk piece-goods did not compete with those manufactured in England, this duty was justified as a protective measure to save the English manufactures as foreigners generally preferred the Indian products to British ones. The following figures below from a Parliamentary Return would show that British goods had initially an edge to Indian products with French buyers and later the Indian products nearly annihilated British manufactures. The explanation for this is quite simple." When British goods first went to France, Indian goods were prohibited and consequently British goods had a preference with French buyers. As soon as the preference was taken off, the British trade to France was entirely annihilated.¹¹⁸ Had there been equalisation of duties, Bengal silk goods could possibly have invaded other

117. Select Committee of the House of Lords, 1840. Cited in R. C. Dutt, *The Economic History of India in the Victorian Age*, 117-18.

118. *Ibid.*, 118-19.

Table 2.5 Value (in £) of exports of British and Indian piece-goods from the United Kingdom to France, 1832-1839.

Year	Br. made silk goods	Indian Bandannas & other handkerchiefs
1832	50,600	29,500
1833	36,700	60,400
1834	32,700	77,700
1835	16,800	114,400
1836	15,600	107,600
1837	10,000	174,500
1838	9,400	202,200
1839	5,500	168,500

Source : R. C. Dutt, *The Economic History of India in the Victorian Age* (First reprint, Delhi, 1985), 119, Cited from Parliamentary Papers—Report of the Select Committee of the House of Lords.

European markets as well besides the British market. But that was opposed tooth and nail by the British manufacturers. Thomas Cope, one of the witnesses before the Parliamentary Committee of 1840 said, "it would have the effect of destroying this branch of trade; and . . . would rob their employment . . . and would make them destitute and reckless and cause them to become a burden to the rest of the society . . . it would [also] throw out of employment a large amount of capital, and would give into the hands of foreigners that employment by which we ought to be supported."¹¹⁹

Defects in the Bengal silk also led to its decline. The poor quality of Bengal cocoons gave only about one-fourth of the length of thread in comparison with cocoons produced in Japan and China. When reeling from this cocoon, threads continually gave out and the reeler had to keep throwing on new threads. "Therefore, you cannot get the same regularity and strength in the silk. You cannot get the same cleanliness. Every time a new thread is put on, it makes a sort of hook which to the naked eye looks like a tiny . . . fluff on the thread of silk."¹²⁰ Unfortu-

119. *Ibid.*, 119-20.

120. Evidence of J. Goodman of Messrs. Anderson, Wright & Co; Merchants and Agents, Calcutta before the *Indian Industrial Commission*, see *Minutes of Evidence*, Vol. II (Parliamentary Paper XVIII), 172.

nately, however, a large proportion of it was reeled on indigenous *charkas* or country *ghais* instead of in filatures and were thus still more incapable of turning out fine, dirt-free, gumless and uniform silk yarn and 'may contain impurities such as wastes, slugs, etc, sticking to it.' Bengal silk was also not properly sorted or graded. Such defects in Bengal silk made the yarn unsuitable for use in the looms by weavers in comparison with the more uniform, well finished silk yarn imported from abroad. Moreover, the throw shuttle looms which were exclusively being used by the weavers needed technological improvements though weavers themselves thought that improved looms were unsuited for the purpose of silk weaving. Due to such serious disadvantages, the demand for Bengal silk had greatly diminished in the international market and also in other parts of India. "... a considerable proportion of the raw material required in the silk factories of Bombay and the Punjab comes from China, Japan, France and Italy, and manufactured silk from those places is finding favour in Indian markets in preference to that of Bengal", observed A. T. Watson, the Director of Bengal.¹²¹

The defects of Bengal silk not only limited its demand but also led to a considerable fall in its price. The price of a seer of Bengal silk in 1855-56 was Rs. 22-15 annas and in 1914-15 it was reduced to Rs. 13-6-2 pies.¹²² "There is little demand for Bengal silk except at prices lower than those for silk of other countries."¹²³ In fact, its price was not only lower than those of Japan, France or Italy but also to those of Hungarian silk. The fall in the price of Bengal silk was not, however, accompanied with a fall in the cost of its production. In the 1860's when prices of raw silk was high, the landlords charged excessive rents for mulberry lands (in some cases as much as Rs. 50 per acre) and which the rearers could then pay. When prices of Bengal raw silk tumbled, rents nevertheless remained unchanged. There was also a gradual rise in the money wages of labourers which the rearers and reelers were now unable to pay. Being unremunerative, they now shifted to cultivation of food crops like jute or rice or took to growing

121. GOB, *Proceedings of the Agricultural and Industries Department* (Industries), December 1925, Nos. 9-10, 12.
122. *Report of the Indian Tariff Board regarding the Grant of Protection to the Sericultural Industry* (Delhi 1933), 15.
123. *Report on the Maritime Trade of Bengal, 1912-13*, (Calcutta 1913), 25.



potatoes and other vegetables. If the land was not suitable for cultivation of alternative crops, they shifted themselves to some less risky and less skilled jobs and earned probably as much as before.

Of considerable significance was the gradual withdrawal of the European firms which established silk filatures in Bengal as an investment. "Twenty years ago several firms were engaged in it and the silk-producing districts were dotted with filatures in which the silk was reeled for export".¹²⁴ These firms performed the role of financiers, industrialists and marketers of raw silk. But when they were hard hit, they left the trade. "The European firms ceased to trade, when the prices for raw silk sank so low that the price they could afford to pay for cocoons did not attract a large enough volume of cocoons to keep the filatures well employed. With a fixed establishment, with large factory charges, filatures could be kept going only with a large volume of trade, and once this ceased, it was not profitable to continue."¹²⁵ Their withdrawal brought about a crisis of confidence among Bengal silk rearers, leading to significant contraction of the industry.

The continued dumping of cheap silk goods by Japan and China and of artificial silk yarn and piece-goods from the United Kingdom dealt the severest blow to Bengal's silk industry, and reduced the already shrunken market to insignificance. The flooding of Chinese silk was under the stimulus of a depreciated exchange and a system of bounties, and also partially to be accounted for by more efficient methods of production. The increasing orders from Japan was due to "reduction of . . . prices and the fall in Japanese exchange."¹²⁶ Besides, a more serious danger had arisen in the shape of growing competition from artificial silk yarn and piece-goods due mainly to their "washable qualities and the durability of dyes" besides cheapness. Cotton fabrics decorated with artificial silk was also arriving in increased quantities and varieties.

Yet with appropriate state response this once world famous industry of Bengal could perhaps have been saved from the disappearance. Infections and parasitic attacks of silk worms did

124. *Report on an Inquiry into the Silk Industry of India*, 10-11.

125. *Ibid.*, 12.

126. *Report on the Maritime Trade of Bengal, 1924-25*, (Calcutta 1925), 15.

occur in Europe as well but those were contained with state assistance. Further assistance was provided as exemplified by the history of silk manufactures in various European countries, as well as in Japan and in China. The government of France granted bounties to the sericulturists and reelers. In Italy, the silk industry was fostered by grants of substantial bounties and subsidies to syndicates and cooperative bodies in the shape of lump sum grant and also annual recurring grants. The state efforts for the promotion of the silk industry in Japan were extensive and governed by special laws. To stimulate the establishment of public stores for cocoons and the installation of cocoon drying apparatus as also for the investigations in this connection, the government of Japan had sanctioned special grants for a period of 30 years since 1925. Even in China, the provincial government of South China had arranged to advance loans at 4 percent to the silk producers. Other countries such as Spain, Austria, Hungary and Turkey also encouraged the silk producers with substantial help.¹²⁷ On the contrary, the authorities concerned in India did almost next to nothing to face the challenge posed by those countries, and ultimately brought about its ruin. Though the industry did receive tariff protection towards the fag end of British rule in 1934, yet the efficacy of the quantum of protection was doubted even by the Government of India which granted the same. On the other hand, the training institutes which were founded in the 1920's-Bhagalpore Silk Institute (in 1922) and the Government Silk Weaving and Dying Institute at Berhampore (around 1925) did turn out some boys with skill but due to problems of finance and marketing could not remain long in the profession. Out of 122 students who passed artisan courses from the Berhampore Silk Institute, only 39 were still in the profession in 1935.¹²⁸ On the other hand, the total disbursement of state loan for the betterment and welfare of silk industry under the State Aid to Industries Act, 1931 amounted only to Rs. 33,325 till June, 1937.¹²⁹

3.0 SHIPBUILDING INDUSTRY

From the earliest times, the people of Bengal had acquired a fame as a sea-faring nation. The skill and daring of her seamen,

127. Agriculture and Industries (Agriculture), April 1932, Nos. 3-4, 17-18.

128. *Bengal Legislative Council Debates*, August 26, 1935, Vol. XLVI, No. 2, 403.

129. *Ibid.*, September 17, 1937, Vol. III, 236.



the enterprise of her colonists and the zeal of her missionaries, secured to her the command of the seas for ages, and helped her to attain and long maintain her proud position as the mistress of the eastern seas. The Bengalis in that remotest days went out of their geographical bounds, braving the perils of the seat, in pursuit of trade and religion and sometimes in quest of territories.¹³⁰ "It was the Bengalis", writes Dow, "who founded the Kalinga empire whence they spread their conquests beyond the seas and colonised Java and other islands of the Indian Archipelago."¹³¹ Bengal's merchants visited remote countries like China, Japan, Sumatra, Java besides navigating the coasts of Coromandel, Malabar, Cambay, Pegu, Tanassarene (Burma) and Ceylon. The dexterity that the Bengalis acquired in maritime activity, particularly those of south and eastern Bengal, lay in the fine geographical position that they live in. Possessing a long coastline and her connection with the vast mainland of Asia, on the west with Africa and the archipelago in the east, she was undoubtedly most favourably situated to utilise to the full the opportunities presented to her by nature for the development of her maritime activity. Besides, the network of rivers and rivulets opened up the interior, facilitating the growth of her commerce and industries.

Reference to the building of sea-going vessels and large boats abound in the early chronicles like *Charyapadas*, *Chandimangala*, *Manasamangala* and the eastern Bengal ballads. The Mughal Emperor Akbar also founded and maintained an imperial naval establishment in Bengal. The department was known as *nawara*. Shaista Khan, during his viceroyalty constructed a large shipyard at Dhaka for building new ships and repairing the old ones. He also ordered as many boats as was possible to be built at the ports of Hughli, Balasore, Murang, Chilmory, Jessore and Caribari. With the help of his flotilla, he was able to crush the naval might of the Mughls and the Feringhis in 1666. Though the later Mughals neglected their navy, various kinds of cargo boats were regularly being built for transporting goods both within and outside the region. Some such boats like *patella*, *bora* and *palwar* were generally in use for transporting saltpetre from Patna to Hughli and thence to Pipli and Balasore

130. Atul Chandra, *History of Bengal, Mughal Period*, (Calcutta 1968), 500.

131. Cited by Atul Chandra, *ibid.*, 502.

on the Orissa coast. The *petellas* were said to have had a capacity to carry 150 to 200 tons of goods.¹³²

3.1 SHIPBUILDING

Soon after the victory of the English at Palashi, a proposal was made in 1758 for the establishment of a dock for the reception of His Majesty's ships, "in case the squadron should winter here."¹³³ But as to what steps were taken to fulfil the desired object, we have no precise information. Nor do we have any details about the two ships which were said to have been constructed in Bengal prior to 1780, one in 1769 and another in 1770.¹³⁴ However, it was the famine caused by the ravages of Hyder Ali in the Carnatic in 1780 that ultimately led the English Company to revive the ship-building industry in Bengal. They exercised the power given to them by an act of 1772 (12 Geo. 3, Cap 54, Sec. 3) for building or hiring of ships in India for coastal trade or defence, and once made efforts for constructing ships in districts like Dhaka, Sylhet and Chittagong for transporting grains and conveyance of troops to Fort St. George.¹³⁵ Mr. Lindsay, the Collector of Sylhet in 1780, had one ship built of 400 tons burden and also a fleet of twenty ships which he sent to Madras loaded with rice.¹³⁶ Prior to this event, the needs of Bengal's country trade was met by ships built at Surat, Bombay, Daman and Pegu.

Calcutta, however, soon became the centre of a regular ship-building industry. Colonel Henry Watson, who was Chief Engineer to Government, perceived the advantageous position of the place, and succeeded in obtaining a grant of land at Kidderpore from the government for the establishment of a dock and a marine yard with a view to providing every facility for building, repairing and equipping vessels of war and merchantmen. He commenced his work in 1780 and sunk no less than ten lakh of

132. R. Mookerji, *Indian Shipping: A History of the Sea-borne Trade and Maritime Activity of the Indian from the Earliest Times*, (London 1912), 235.

133. W. H. Carey, *The Good Old Days of Honourable John Company*, (Calcutta 1907), Vol. II, 114.

134. *Ibid.*, 115.

135. R. Mookerji, *Indian Shipping*, 247.

136. *Ibid.*



rupees on the venture.¹³⁷ In 1781, he launched the *Nonsuch*, a frigate of 400 tons, and subsequently another frigate of 390 tons, named the *Surprise*. Both these frigates were pierced to carry 32 guns. These were constructed under his own directions by native workmen, and proved remarkable for their speed, capacity to load and unload cargo expeditiously and for their out of season sailings. The government requisitioned the services of the *Surprise* in 1783 at Rs. 10,000 a month for the purpose of carrying important news dispatches to the Court of Directors. In the previous year, the *Nonsuch* had likewise been taken up for carrying opium to China—the first instance of opium being sent to that country on the company's account.¹³⁸ The success of Bengal built ships encouraged other entrepreneurs to come forward. The first dry dock, though a small one, was constructed at Calcutta at Bankshall in 1790 for the government pilot vessels.¹³⁹ Subsequent to that, several large docks were constructed. At Sulkea, a dock was established by Mr. Bacon, as early as 1796, and the *Orpheus* frigate was the first hauled into it. In 1803, the Kidderpore dock was founded by W. Waddell, the Company's first master-builder, who was succeeded by James and Robert Kyd, and who for nearly thirty years built and repaired all the Company's Bengal vessels and constructed a great many fine ships, twenty-four in number, and vessels for individuals. Ships were also constructed at the docks established at Titaghur, Cosipur, Howrah and Fort Gloster—all on the river Hughli.

The total number of ships built from 1781 to 1839, according to an estimate, numbered 376. Out of this, Fort Gloster contributed 27 ships of 9,322 tons from 1811-28.¹⁴⁰ Among the bigger ships constructed in Bengal were the *Hastings* of 1705 tons with 74 guns mounted on it for the British navy built by Messrs Kyd and Company; the *Countess of Sutherland*, a vessel of 1450 tons built at Titaghur in 1800; the *Castle Huntley* and the *Vansittart*, both of 1200 tons capacity built at Kidderpore in 1812 and 1813 respectively for the East India Company's trade.¹⁴¹ We may also

137. S. B. Singh, *European Agency Houses in Bengal, 1783-1833*, (Calcutta 1966), 19.

138. Singh, *Bengal*, 19.

139. R. Mookerji, *Indian Shipping*, 248.

140. Singh, *Bengal*, 22.

141. *Ibid*; Carey, *John Company*, 116-17.

**Table 3.1 Number of ships and tonnage built in Calcutta
1781-1846.**

Years From To	No. of ships	Tonnage
1781-1800	35	17,020
1800-1805	75	32,507
1806-1813	71	33,719
1814-1821	95	41,686
1822-1829	61	12,449
1830-1837	36	11,538
1837-1846	83	10,150

Source : Constructed from W. H. Carey, *The Good Old Days of Honourable John Company*, Vol. II, 116, 119-20, (Calcutta, 1907). The table, however, remains slightly imperfect as the years 1800 and 1837 have been included twice in the estimate.

justly be proud of the fact that the first steam vessel in India, the *Diana* of 89 tons, was built in 1823 at Kyd's Kidderpore yard.¹⁴² Indeed, by the end of the 18th century, the art of shipbuilding had attained a state of perfection as could be noted from the testimony of no less a person than that of Wellesley himself. He wrote in 1800 :

From the quantity of private tonnage now at command in the part of Calcutta, from the state of perfection which the art of ship-building has already attained in Bengal (promising a still more rapid progress, and supported by abundant and increasing supplies of timber), it is certain that this port will always be able to furnish tonnage, to whatever extent may be required, for conveying to the port of London the trade of the private British merchants of Bengal.¹⁴³

Lt. Col. A. Walker also testified about the bright prospect of Bengal built ships in the maritime transport industry. In 1811, he wrote : "In Bengal . . . excellent ships may be constructed, and the number

142. Evan Cotton, *East Indiamen : The East India Company's Maritime Service*, ed. Charles Fawcett, (London 1949), 123. The ship was dismantled in 1836.

143. Cited by William Digby, *'Prosperous' British India*, (New Delhi 1969), 86.

may be increased to a much greater extent. . .".¹⁴⁴ In the same year, Baltazar Solvyns, a French opined, "The Indian vessels unite elegance and utility, and are good models of fine workmanship."¹⁴⁵

Several factors led to the development of the industry in Bengal. Supplies of excellent timber was abundant in the regions with which Bengal had extensive boundaries. About the materials with which Bengal ships were constructed, Antony Lambert wrote in 1802 :

They consist of teak timber and planks, imported from Pegu; *saul* and *sisoo* timber from Behar, Oudh, and the inexhaustible forests that skirt the hills which form the northern boundaries of Bengal and Behar. The ribs, knees, and breast-hooks or 'the frame of the ship', are composed generally of *sisoo* timber, the beams and inside planks of *saul*, and the bottoms, sides, decks, keels, sternposts, etc.; of teak. The excellence of teak for the purpose of ship-building and its durability are too well known to require any description, . . . Of *sisoo* and *saul* timber, the former is admirably adapted to ship-building from its size, form, and firm texture, and as it produces crooked timbers and knees of every shape and dimension for vessels of full form and of every magnitude, even for a ship-of-war of the first rate; and that of the latter furnishes excellent beams, knees, and inside planks.¹⁴⁶

Local artificers and labourers were also available in plenty at a very cheap rate. Although they were not experienced shipwrights in the proper sense of the term they possessed considerable experience in constructing large boats, and indeed proved to be excellent ship-carpenters under the able direction of foreign firms of builders.

Besides Bengal's advantageous position as regards raw materials and labour, the expanding country and coasting trade

144. Cited by S. N. Gupta, *Magnificent Exploiters*, 4-5.

145. *Ibid*.

146. Cited in R. Mookerji, *Indian Shipping*, 248-49. Bengal ships, built of teak and *saul*, were greatly superior to the "oaken Walls of old England'. They were preferred to any other for durability and wear. It was calculated that every ship in the navy of Great Britain was renewed every twelve years. On the other hand, teak wood built vessels lasted fifty years and upwards. See the testimony of Lt. Col. A. Walker in W. Digby, 'Prosperous' British India, 86; Carey, *Good Old Days*, 116.

of the period also gave a definite boost to the industry. The Calcutta country ships were employed particularly in two branches of the export trade, viz., grains and opium. The conveyance of rice in particular to the presidency of Fort St. George, necessitated by frequent famine conditions, became a source of great profit to the Agency Houses. Moreover, private shipping in Calcutta got a lucrative employment in the import of salt from the Coromandel coast. In the 1790's and the 1800's, the extreme scarcity of food also necessitated the employment of country-built ships for carrying rice to England. Some agency houses placed orders for the construction of ships for carrying gruff goods to England on their own account. In 1800-01 alone, fifteen ships were taken up in India for conveyance of rice to London.¹⁴⁷ "It was a splendid opportunity for employment of India-built ships. The British government in England had guaranteed the full price of thirty-two shillings per cwt. in case of loss."¹⁴⁸ Further stimulus to Bengal shipping was provided by the Charter Act of 1813 which abolished the Company's monopoly of trade. European private traders indulged in speculations and several agency houses sought permission to send their own ships to England with sugar, cotton, piece-goods and other articles from India.

The growth of the industry was also due to high rates of profitability. A ship that succeeded in making four voyages a year, say to Madras, carrying 40,000 bags of rice at a freight of Rs. 2.5 per bag, was expected to bring her owner a net profit of over £9,000 annually.¹⁴⁹ As such, "the wealth of the Company's servants and free merchants. . . found a profitable channel of employment in ship-building."¹⁵⁰ Besides, the participation of indigenous fund was also encouraging. According to an estimate, no less than three crores of rupees and upwards was sunk in building at least 150,000 tons of shipping at an average cost of Rs. 200 per ton between 1781-1846.¹⁵¹ Among the great foreign

147. Besides the 15 ships taken up in India for conveyance of rice to London, another 22 ships licensed in England came to Bengal for the same purpose. One American ship was also permitted to proceed to Calcutta to convey rice to London. Altogether about 4,80,164 maunds of rice valued at Rs. 9,77,795 was sent to England in 1801. Singh, *Bengal*, 108.

148. *Ibid.*, 106.

149. *Ibid.*, 21.

150. *Ibid.*, 5.

151. See Table 3.1; R. Mookerji, *Indian Shipping*, 248.

shipping firms who invested considerable sums of money in Calcutta before 1813 were Fairlie Fergusson and Co; Hogue, Davidson and Company; Hugh Atkin Reid; Palmer and Co; Edward Brightman; and Johannes Sarkies. Messrs. Fairlie Fergusson and Co. owned nine ships, each over 400 tons burden; Messrs. Hogue, Davidson and Co. had five ships, and the other firms mentioned above owned two each. Besides foreign firms, Gullam Hussain had by 1813 four pretty large ships. Other natives who owned ships were Syed Sadock, Ram Dollal and Dorabjee Byramjee.¹⁵² Ships were also probably owned by Byramjee Cowajee, Said Hussain and Said Muhammad who had extensive trading links with the coast and the Gulf. A few ships were also jointly owned by Europeans and Indian capitalists.

However conducive the climate for investment in shipbuilding in Bengal was, it would hardly have been possible had it not been for government patronage at the nascent stage of its development. With a view to encouraging the shipbuilding industry, the Government of India abolished the customs duties on timber imported by sea as also from the upper provinces in November, 1795. They also reserved the carrying of country and coasting trade to India-built ships only, thus immensely benefiting the local shipbuilding industry. More than anything else, the colonial government of the day, and Lord Wellesley in particular, extended their whole-hearted encouragement and support to India-built shipping against the antagonism of the close circle of the 'old' London shipping interest who had gained the monopoly of building ships for the Company. They were shocked when Bengal built ships were permitted to sail for London. More than that they were frightened as Bengal built ships could be hired at a far cheaper rate; and that the Agency Houses offered no less than 30,000 tons of shipping.¹⁵³ Henry Dundas,

152. *Ibid.*, Singh, *Bengal*, 21.

153. Ships were chartered and were not owned by the Company. Private individuals, who were known as 'Ship's husbands' were given the right to built ships which the Company bound itself to charter at stipulated rates. This is how the 'system of hereditary bottoms' came into existence. The rates of freightage fluctuated very much and were between £22 and £47 a ton from 1773 to 1795. See Cotton, *East Indiamen*, 48-49; C. H. Philips, *The East India Company, 1784-1834* (Manchester, 1961), 80-81. The British merchants in Bengal offered to let them at £12 per ton in peace and £16 in war if they were allowed to load the ships themselves or to procure cargoes from private traders. See Tripathi, *Trade*, 40-41.

who headed the India Board as well as the War Ministry unequivocally addressed a letter on July 1, 1797 to the Committee of ship-builders of the Thames explaining the Board's policy in this regard. He said :

The British territories of India are under the sovereignty of Great Britain, and the ships built there are equally entitled to all the privileges of British-built shipping, as those built in the West Indies or Canada, or any other foreign dependencies of the Empire.¹⁵⁴

In his efforts, Dundas was ably supported by David Scott, who was Chairman of the India Board in 1796 and 1801 and Deputy Chairman in 1795 and 1800-01. Wellesley's decision to support India-built shipping for admittance to the trade between Britain and India was also due to the encouragement of the above two gentlemen. However, their decision to support the cause of India-built shipping had other angles besides purely the question of protecting the Company from loss arising from hiring costly extra ships in England and enabling the British merchants in Bengal to trade cheaply and remit their fortunes profitably. Dundas was increasingly worried about the large investments ordered from India in spite of lack of resources, the rise of war freight, and scarcity of ship-timber and seamen. Wellesley, on the other hand, had to do something for the agency houses on whose moral and financial support he relied for the execution of his imperialist design. "The agency houses supported war in their own interest. It would give them plenty of contracts, alleviate scarcity of money through enforced imports of bullion, and open up prospects for investment in public loans at high rates of interest. In return for this support they wanted facilities for remittance in their own ships which could also become a medium of import of the much-needed capital from England. Wellesley could not deny them this advantage, especially when he found that the diminution of the company's demand would affect Indian manufacture and revenue. He was also influenced by private motives, his aristocratic arrogance was deeply stirred by the intrigues between John Bebb and the Court."¹⁵⁵ Wellesley's encouragement to India-built shipping was further due to the fact

154. Tripathi, *Trade*, 47-48.

155. *Ibid.*, 61.

that during the war private ships from neutral countries like the United States had captured substantial foreign trade of India with Europe.¹⁵⁶ He, therefore, thought it justified that the produce of Bengal should be carried to Europe in her own ships in preference to those of a neutral power. He "favoured the employment of private merchants in India for its export trade as against foreigners who were absorbing most of it."¹⁵⁷

3.2 DECLINE OF SHIPBUILDING INDUSTRY

The rapid expansion of Indian shipbuilding industry with the support and encouragement of the Court of Directors, and the Government of India was, however, short-lived. Ever since the arrival of India-built ships with Indian produce in London, the shipping interests in Britain had been voicing their loudest protest. Taylor in his *History of India* described the passion and the wild out-cry it generated on the first arrival of India-built ships in the port of London thus :

The arrival in the port of London of Indian produce in India built ships created a sensation among the monopolist which could not have been exceeded if a hostile fleet had appeared in the Thames. The shipbuilders of the port of London took the lead in raising the cry of alarm; they declared that their business was on the point of ruin, and that the families of all the shipwrights in England were certain to be reduced to starvation.¹⁵⁸

The above out-cry was certainly prompted by instincts of self-preservation. India-built ships and manifold advantages—the principal being their low freightage, in 1795, the owners offered more than 20,000 tons at the rate of £16 per ton for all goods save piece-goods for which they asked for £20. The Board engaged three ships in 1799-1800 at £22 per ton. On the other hand, the Company's ships charged £35 a ton. Moreover, as Evan, Cotton pointed out :

156. For example, the American trade with Calcutta tripled in extent between 1795 and 1800. Being neutral, their rates of insurance was lower and they had also the access to ports from which the English were excluded. C. N. Parkinson, *War in the Eastern Seas*, (London, 1954), 45-46. Nor were the American ships expensively built for the Indian trade nor for political purposes; they could also sail without waiting for convoy. Consequently, their average rate of freight was £20 a ton compared with the Company's 35 a ton. C. H. Philips, *East India Company*, 107.

157. Cotton, *East Indiamen*, 46.

158. Digby, *India*, 79.

These India built ships proved in some ways to be superior to the regular Indiaman. They could out-sail them, load and unload cargo more expeditiously, and broke tradition by sailing from England with European consignments out of the season prescribed for Indiamen, to the prejudice of the trade of the Company's servants.¹⁵⁹

Hence, a well-organised counter-offensive was mounted by the British shipping interests to protect their monopoly business from the hands of private ship-owners in India. They offered to take up 10,000 tons of shipping in small 500 ton ships, which were intended to carry the private trade at a cheap freightage and to obviate the need for India-built ships. A propaganda campaign was also stated by them. This party, centred as it was in London, easily mobilised, and employed proprietors to write on their behalf in newspapers and pamphlets. Their influence being out of proportion to their number, particularly in the election of directors, ensured their victory. Wellesley's policy of encouraging India-built ships was dubbed as 'dangerous to the interests of the Company and of the nation' and charged him as well as Dundas for being a tool in the hands of the Calcutta agency houses. In their criticism against India-built shipping, the Court of Directors even employed curious arguments. In one of their writings; among other things, they now even saw danger to their imperialist rule in India if *lashkars* or Indian sailors were allowed to land in Britain. The Court wrote in 1801:

The contemptuous reports which they disseminate on their return, cannot fail to have unfavourable influence upon the minds of our Asiatic subjects, whose reverence for our character, which has hitherto contributed to maintain our supremacy in the East (a reverence in part inspired by what they have at a distance seen among a comparatively small society, mostly of the better ranks, in India) will be gradually changed for most degrading conceptions; and if an indignant apprehension of having hitherto rated us too highly or respected us too much, should once possess them, the effects of it may prove extremely detrimental.¹⁶⁰

Soon afterwards, the Court of Directors formulated a set of rules for the employment of India-built ships and Indian sailors.

159. Cotton, *East Indiamen*, 46.

160. Digby, *India*, 102-03.



In a general letter, dated June 16, 1802 addressed to the Governor-General they stipulated that in addition to the quantity of 3,000 tons of shipping annually allotted for the export of individuals, three, four or five thousand tons more or as much as might be wanted should be assigned for the use of private traders but that the ships so required were to be built either in Great Britain or in India and hired by the Company and refreighted to individuals for carrying their goods to London. Further, it instructed that the ships so hired by the Company must have at least two-thirds of their crew of European origin; that the rate of freightage must not exceed £14 per ton; and that ships were to voyage under the condition that they would not return to India but to be sold in England.

The aforesaid prescriptions deprived the Indian ship-owners the indulgence of sending goods in their own ships unconditionally. The letter had the effect of pricking the balloon of ship-building speculation generated after Prime Minister Addington's decision to employ India-built ships for two years with effect from April 1, 1803 (and which the agency houses rightly or wrongly thought would be extended). The British Parliament further enacted in 1814 that no ship even though British owned could enter London if British mariners did not make up at least three-fourths of the crew. The government was also prevailed upon by the shipping interests to deny full privileges of British registry to Indian ships. Vessels exceeding 350 tons, built or building prior to January, 1816 were granted only limited privileges.¹⁶¹ By depriving the India-built ships the benefit of British registry, Indian ships proceeding to ports with which England had reciprocity treaties were also deprived of the benefits arising out of such arrangements. Discriminatory rates of import duties were also imposed against non-British ships between 1811 and 1818 which were 'most harmful to the Indian mercantile marine'.¹⁶² Thus, before 1820, Indian ships were not only

161. Singh, *Bengal*, 21.

162. S. N. Gupta. *British*, 37; The nascent Indian ship-building industry was beginning to damage the well established British shipbuilders because its cost structure was found economical by the British users of merchantmen. Hence the British shipbuilders clamoured for a duty on India-built shipping which would make the buyer indifferent as to where he purchased his ship. S. Ambirajan, *Classical Political Economy and British Policy in India*, (Cambridge, 1978), 189.

virtually prohibited from going to England but also withdrawn from other European and foreign ports. Their only preserve now remained the profitable country trade, and this was expanding with years. The British ship-owners and merchants doing extensive and profitable private trade with India since 1813 (on the abolition of Company's monopoly of trade), next demanded the privileges of coasting trade as well. This was also acceded to the British vessels in a consolidating act in 1823. Protestations of several agency houses of Calcutta against the decision of the British government was, however, futile, and 'some of their ships became unemployed'.¹⁶³

The industry was also seriously crippled by certain other factors. First, the agency houses of Calcutta were affected as a result of tightness in the money market brought about by the First Anglo-Burmese War. The economic depression in Great Britain at about the same time aggravated the distress further. As a result, many of the agency houses closed their doors during this period including Messrs. Palmer and Company. This led the Indian capitalists to withdraw their money. The second factor which also affected Bengal shipping in a more pronounced manner commenced at about the same time due to technological innovations, there had been a great reduction in prices in the British shipping industry. Freights could be lowered to as little as £6 to £8 per ton.¹⁶⁴ The cheaper British ships and the operation of the navigation laws were sure to beat the India-built vessels in the end as they had beaten the American vessels. "The difference between Indian and British shipping was 30 percent in the latter's favour; the rate of freight had been reduced by two-thirds of what prevailed in the last twenty years and the British ships carried on port to port trade against the latter of the law."¹⁶⁵ Besides the above two factors, Bengal (for that matter Indian as a whole) shipping during this period also faced stiff competition from the Imam of Muscat's enlarged fleet. The cumulative effects of all these had been disastrous for the Bengal ship-building industry, nay for the whole ship-building industry of India. While no less than 5,211 tons of shipping was built on the average between 1814-21, the average for the years 1822-29 fell to 1,565; for the

163. Singh, *Bengal*, 130.

164. Tripathi, *Trade*, 131

165. *Ibid.*, 252.



years 1830-37 to 1,442; and for 1837-46 to 1,015 tons.¹⁶⁶ The decline of ship-building in Bengal had been so rapid in the 1830's and 1840's that the tonnage constructed were not even sufficient to replace the old ones. The benefit of this situation was reaped by the European vessels (mostly British) whose tonnage in the

Table 3.2: Number and Tonnage of all vessels Entered and Cleared in British Ports in India, in the year 1841 and 1854, including Native crafts .

Year	ENTERED		CLEARED		TOTAL	
	Vessels	Tons	Vessels	Tons	Vessels	Tons
1841	25,887	1,050,887	26,589	1,130,473	52,476	2,181,360
1854	12,789	1,554,300	13,292	1,681,271	26,081	3,235,571

Number and Tonnage of European and Native Vessels distinguished

EUROPEAN VESSELS						
1841	1,390	459,295	1,587	495,291	2,977	954,586
1854	2,813	1,104,244	3,223	1,230,570	6,036	2,334,814

NATIVE VESSELS						
1841	24,497	591,592	25,002	635,182	49,499	1,226,774
1854	9,976	450,056	10,069	450,701	20,045	900,757

Source : John Briggs, *India and Europe Compared Being a Popular View of the Present State and Future Prospects of our Eastern Continent Empire* (London, 1857), p. 96.

British ports in India had been greatly increasing at the cost of native tonnage (see Table 3.2). The ship-building industry was finally abolished in April, 1863, shortly after the assumption of the Government of India by the Crown. "Scarcely anything has struck me more forcibly", observed William Digby, "than the manner in which the Mistress of the Seas in the Western World has stricken to death the Mistress of the Seas in the East."¹⁶⁷

Thus, in spite of the tremendous possibilities for building up Bengal's maritime transport industry to its full bloom, conscious political decision was taken by the British government at home to

166. See Table 3.1 of this paper.

167. Digby, *India*, 88.

stifle the Indian shipping industry. The decision not to patronise Indian shipping was taken at the behest of powerful shipping interests operating in London. The home government succumbed to their pressure, and enacted suitable rule, regulations and statutes to facilitate their full participation in India's expanding economic activities. It was no wonder that Bengal's shipping industry under such inimical political environment would be decisively beaten by the 'vessels of such superior architecture, or such superior economy' as those constructed in England.

4.0 SALT INDUSTRY

Salt was manufactured in Bengal along a line of sea coast, extending from Cuttack to Chittagong which was about four hundred miles in length and one hundred and twenty in depth. The soil of the above area was impregnated with saline particles and as such singularly well-fitted for the manufacture of salt.¹⁶⁸ It was manufactured in this tract by two processes—the solar evaporation method, and the outcome of which was the *kurkutch* variety of salt; and the *pungah* salt, the salt obtained by boiling concentrated sea brine. Of the two varieties, *pungah* or the boiled salt was the more favourite with the consumers, and as such produced most extensively. The sun-dried *kurkutch* salt, on the other hand, was considered auspicious on religious occasions by certain sections of the Hindu population, and enjoyed somewhat a limited market.

Although salt had been a source of state revenue from the ancient times, its collection was of a limited nature. During the Mughal period, they assigned it as a monopoly to a favourite or favourites or sold it to the highest bidder. But the monopolist in Mughal times had neither the ability nor the organisation to make the monopoly exacting. Moreover, he had to reckon with the constant operation of the smugglers dispersed over a wide area. During Alivardi's time, salt was sold, according to Bolts, at forty, fifty or sixty rupees per hundred maunds.¹⁶⁹

Europeans for the first time entered the salt business after the Battle of Palashi. In August, 1765 Clive formed an 'Exclusive Society' for trade in salt, betelnut and tobacco, the profits of

168. John William Kaye, *The Administration of the East India Company* (London 1853), 671.

169. *Midnapore Salt Papers*, Introduction, 2.

which were to be divided amongst the senior servants of the Company to compensate them for loss of profits due to the abolition of inland trade of the Company's servants in that year. It forbade all persons to deal directly or indirectly, unless as contractors for purchase and sale with the Society. In other words, the measure constituted a complete monopoly of trade as well as of manufacture. The Company's government was assigned a duty of 35 percent and *valorem*, later raised to 50 percent.¹⁷⁰ The price of salt under the 'Exclusive Society' rose very high. It soared from Rs 125 per 100 maunds before the formation of the Society in 1765 to Rs. 247 and Rs. 231 in 1766 and 1767 respectively.¹⁷¹ As the Court of Directors considered the Society as a near monopoly and an innovation, it was abolished in October, 1768.

The abolition of the Society was replaced by the open and free system under which the native merchants were permitted to make contracts and engagements on payment of a 30 percent excise duty to the government of the Company. But due to malversations of the 'Exclusive Society' which interfered with the business of the trader under pretence of selling off their old stock the revenue earnings of the government fell far short of its expectations. "In six years from its constitution in 1765 it smuggled salt to such an extent as to defraud the government of duty to an aggregate amount estimated by the Committee of Secrecy in 1773 at upwards of 40 lakhs of rupees.¹⁷² Moreover, though salt trade was thrown open to the people, in actual fact, the trade became the close preserve of the Company's servants. Europeans continued to engage in the salt contract business through the agency of their *banians*.

To improve the resources of the government, Warren Hastings, therefore, resolved to assume the management of the salt operations in the hands of the government. He leased out the salt works to farmers in 1772 for a term of five years. The farmers in

170. A. M. Serajuddin, 'The Salt Monopoly of the East India Company's Government in Bengal', in the *Journal of the Economic and Social History of the Orient*, XXI: III, 304-05.
171. N. K. Singh, *The Economic History*, I, 216.
172. Parliamentary Report of the Commons on Salt in British India, 1856. Cited in *Midnapore Salt Papers*, Introduction. 4.



their turn were to deliver the whole of their manufacture at a stipulated price to the Company's officials, who in their turn were to deliver it to the salt merchants. The salt merchants on their part had agreed beforehand to a system of advances of money to be given to farmers and to obtain a fixed quantity of salt at certain *khalaris*. This arrangement was modified in July 1777 by leaving the salt to the disposal of the farmers. The reforms of 1772-80 were, however, far from successful. Corruption among local officials was widely prevalent. They reserved the best salt farms to themselves under *benami* transactions, and thereby depriving the government of a considerable revenue. Moreover, the great influx of cheaper salt from the Coromandel coast and the Maratha districts led to a fall in the price of Bengal salt at the Company's sales, leading in fact to a loss in the year 1775-76.¹⁷³

Upto 1780, therefore, it may be said that the production of salt was organised by commercial people by entering into engagements with the *malangis* who received advances from them. However, before the Company's government, the profits of the business went to the natives. This underwent a change with the ascendancy of British power in Bengal. Englishmen were soon attracted to the business, and in spite of their prohibitions from holding any of the salt works either directly or indirectly, remained deep in the salt business. "Although this side [the production side] of the salt business was open to the natives until the introduction of the Agency System in 1781, the interest of Englishmen, Company's servants in high positions, were extensive. If they did not hold contracts directly, they did so in the names of natives."¹⁷⁴

173. The Coromandel salt was of *kurkutch* variety and was, therefore, much cheaper than the *pungah* variety manufactured in Bengal. "Madras salt is inferior, and sells at a much lower price though a much higher price is given by the Company than for their own." (*Report from the Select Committee of the House of Lords, 1830*, p. 413). it was even proposed that the Coromandel salt might undergo a process of purification at Calcutta which would adopt it perfectly to the Bengal market (*Midnapore Salt Papers*, Introduction. p.8). The coast salt was imported in the interest of British ship owners. In 1775, no less than 11, 33,686 Mds. of Madras and Orissa salt was imported which led to a loss in the Company's sales. The government imposed a duty of Rs. 30 per 100 mds. on salt imported in country boats but salt imported in boats of European construction and navigated by Europeans was not affected.

174. M. Huq, *Bengal*, 25.

In September, 1780 altogether a change was brought about in the salt revenue administration by the replacement of the farming system with the government agency system. What was new, as A. M. Serajuddin has rightly pointed out, "was the mode of raising the revenue and the stupendous scale of its operation".¹⁷⁵ Under the plan, the entire salt production of Bengal was to be carried on under six agencies—Hijli, Tamluk, Twenty-four Parganas, Roymangal, Bhulua and Chittagong under the superintendence of the Company's agents who were to give advances to the manufacturers. The amount of salt required to be produced annually and the price at which to be sold for ready money was to be ascertained and published at the beginning of every season by the Governor-General-in-Council. The salt so manufactured was partly stored in the government *golas* in the several agencies and partly sent to the warehouses at Sulkia, near Calcutta. The salt was to be sold to unlimited extent at fixed prices. The difference between the price of manufacture and the wholesale price paid by the salt merchants was the duty taken upon the salt.

Table 4.1 : Company's receipts of salt revenue, 1766-1784 (in £)

Year	Amount	Year	Amount
1766-67	118,926	1775-76	1,473 (—)
1767-68	114,218	1776-77	139,012
1768-69	not distinguished	1777-78	54,160
1769-70	16,907	1778-79	63,697
1770-71	70,914	1779-80	32,287
1771-72	61,663	1780-81	8,427
1772-73	45,027	1781-82	321,912
1773-74	229,192	1782-83	605,646
1774-75	130,263	1783-84	603,076

Source : Mazharul Huq, *The East India Company's Land Policy and Commerce in Bengal, 1698-1784*, (Dhaka. 1964), 253.

175. A. M. Serajuddin, 'The Collapse of the Salt Industry of Bengal in the 19th Century', in the *Journal of the Asiatic Society of Bangladesh*, XXIX 1: 1984, 21.

The government thus established a complete monopoly not only on the manufacture but also on the sale of salt. The importation of salt except on government account was also stopped with the establishment of state monopoly.

Hasting's salt revenue administration seems to have been a great success from the point of view of raising as large a revenue as was possible from an item of daily consumption. The amount collected in the first year of its operation (1781-82) totalled £321,912 from the paltry sum of £8,427 earlier. The income derived from salt revenue rose to £605,646 and £603,076 in 1782-83 and 1783-84 respectively.¹⁷⁶ The average revenue during the six years from 1786-87 to 1791-92 (both years inclusive) was £935,319.¹⁷⁷ With the formation of the Board of Trade in 1793 (which now controlled the salt operations instead of the Comptroller of Salt Department) there was a further regular improvement in its results. The average amount of revenue collected from the sale of salt for the years 1810-12 amounted to £1,360,180.¹⁷⁸ The revenue realised also increased in the subsequent years as could be seen from Table 4.2. Once fully in operation, the Company's profits from salt was so large as to constitute the second most important head of the Company's revenue, ranking next only to land, and forming about 10 percent

**Table 4.2 Net revenue derived from salt in Bengal
1822-27, 1839-50 (in Rupees)**

Year	Amount Realised	Year	Amount Realised
1822	2,04,75,412	1842-43	1,64,33,412
1823	1,90,39,514	1843-44	1,55,78,010
1824	1,81,91,301	1844-45	1,60,42,730
1825	1,84,43,698	1845-46	1,49,09,021
1826	1,87,35,733	1846-47	1,62,79,725
1827	2,05,36,872	1847-48	1,65,83,668
1839-40	1,61,94,188	1848-49	1,41,44,321
1840-41	1,63,80,084	1849-50	1,61,07,384
1841-42	1,57,50,967		

Sources : A. Tripathi, *Trade and Finance*, 260; John Kay, *The Administration of the East India Company* 670.

176. P. Ray, "History of Taxation of Salt under the Rule of the East India Company", in *The Calcutta Review*, January 1930, 38.

177. *Midnapore Salt Papers*, Introduction, 5-6.

178. A. M. Serajuddin, *The Salt Monopoly*, 308.

of the revenue of Bengal.¹⁷⁹ A systematic exploitation of salt source, on the other hand, led to a mounting salt revenue in Orissa exceeding the land rents by the second decade of the British rule commencing in 1803.

The revenue from salt earned by the government far exceeded their target of realising a sum of £100,000 to £120,000 annually.¹⁸⁰ But it was not certainly in keeping with the Board's principle of obtaining a larger profit on a greater provision for a lower rate of duty. While the cost price of producing a maund of salt was half a rupee, and in the most northern districts 12 or 14 annas, the sale price was about 600 to 800 percent on the cost price.¹⁸¹ That this was so could be seen from the average price of sale per 100 maunds at government auctions (see Table 4.3). This greatly inflated price of sale was mainly due to government's policy of levying more or less a fixed rate of impost, approximately equal to Rs. 3-4 annas per maund of salt. Due to such high imposts, the cost of salt on the average of years was at least 300 percent more than what it had been previous to the monopoly.¹⁸²

**Table 4.3 : Price of salt per 100 maunds at auction
1790-1827 (in rupees)**

Year	Price realised
1790	Between 234 and 314
1796-97	308 (average)
1798	Between 306 and 380
1803-04	342 (average)
1822	418
1825	390
1826	419
1827	415

Sources : Midnapore Salt Papers, 6; A. Tripathi, *Trade and Finance*, p. 260.

179. *Midnapore Salt Papers*, Introduction him, 6.

180. *Midnapore Salt papers*, Introduction, 6.

181. *Select Committee of the House of Lords*, 1830, 217, 412.

182. J. W. Kaye, *The Administration of the East India Company*, (London 1853), 142-43.

The imposition of such a heavy duty on salt was, however, considered indispensable from the financial perspective of government. To them the salt tax constituted the only contribution of the masses for the public expenditure of the state. "Where the millions live almost entirely on the produce of their rice fields, with only a rag about their middle, and a few brass pots for their household goods, there is no very extensive field for the display of financial ingenuity. There are fifty different ways in which the English tax-gatherer may get at the poor man. But in India the approaches to the mud hut of the labourer are few; and the tax gatherer must advance by them or keep away altogether."¹⁸³ Nor did they consider the salt tax as burdensome on the ordinary people. It was calculated that each consumer paid on an average about 12 annas on account of the article, and assuming the wages of labour at 3 rupees per mensem, it would, at Calcutta, absorb the income of five days labour to provide the quantity required for a year. Thus, "the pressure of the salt tax on the labour cannot be regarded as severe."¹⁸⁴ Another advantage of this tax being that it could be easily levied and conveniently collected without the intervention of the tax officials.

The opponents of the salt tax-free traders, philanthropists, the press, and the people (as manifested by the Khurda Rebellion of 1817 in Orissa), however, assailed the imposition of the tax as disproportionate, iniquitous and hideously cruel. They pointed out that the tax, far from being light, fell heavily on the masses. This was resorted to by the first purchasers by leaving a quantity of salt uncleared in government warehouses so as to reap the maximum profit on an under supplied market. By such machinations, the retail price of salt was pushed high leading to a fall in the average consumption of salt. The Board, on their part, though denied the existence of the 'second monopolists', were proved to be wholly wrong by subsequent events. The new system of fixed prices and open warehouses which commenced in 1836-37, and the gradual lowering of duty to 2 rupees 8 annas per maund in the subsequent years increased the consumption of salt by as much as 24 percent in the 1840's.¹⁸⁵

183. *Ibid.*, 668.

184. For details, see Kaye, *East India Company*, 665-66.

185. A. M. Serajuddin, "Salt Monopoly", 315-16.



The mishandling of the salt affairs by the Board which led to high prices of salt drove many people to the necessity of eating impure or even bitter salt substitutes extracted from vegetable ashes. This has been testified by Buchanan, Colebrooke, and also later by Ram Mohan Roy. High prices also encouraged clandestine manufacture of salt and to stop which an extensive network of preventive machinery had to be set up. This also encouraged adulteration of the article in the hands, especially of retail traders, after it left the Company's warehouses. It was said that, in their hands, the 'sound, pure and healthy edible' turned into a heap of dirt. The amount of adulterated material, chiefly sand, constituted from 25 to 50 percent.¹⁸⁶ A contemporary thus lamented : "In a country where pepper, sugar, spices, curry stuffs, and drugs are obtainable in every bazar with singular purity and cheapness, in not one of the twenty towns is it possible to get such salt as could be guessed from its colour or appearance to be intended to represent the crystal sent out of the commissariat or Government warehouses."¹⁸⁷

4.2 DECLINE OF SALT INDUSTRY

The salt industry was not only criticised and assailed from within the country, it also came under virulent criticism from its opponents, mostly belonging to the mercantile class in England. Their main ground of criticism was that the system of state monopoly was not only an anachronism but also quite inconsistent with the Charter Act of 1813 which deprived the Company of its monopoly of trade with India, and threw its market open to all Englishmen. Moreover, as traders if they could export all other items quite unrestricted, why should there be any bar in the case of salt? They also saw little reason as to why the ordinary folk should be burdened with an abnormally high price of salt when better and cheaper salt could be procured from alternative sources. They did not also fail to bring out the oppressive and inhuman treatment of the *malangis* in the salt producing districts under the state monopoly.

The above arguments, sound and reasonable as they may seem, were far from genuine. Nor were everything that they said

186. "Religious Aspects of the Charter Question", *The Calcutta Review*, XIX, (1853), 137.

187. S. Choudhuri, *Midnapore*, 105-07.



wholly and solely the truth. In fact, by Regulation XV of 1817, salt was allowed to be imported into Bengal under license from government on their own account on payment of a customs duty of Rs. 3-0-0 per maund. The import of foreign salt further emphasised the next year by the Governor-General-in-Council by means of resolution to the effect that necessary permits be issued to the importers for the protection of foreign salt passing through the interior of the country. But in the initial stages of salt import, the British salt manufacturers had still the lingering doubt that the Company to defend its salt monopoly might take to the recourse of throwing a large quantity of salt on the market, so ruining importers from abroad. Yet, the influx of foreign salt in the 1820's was not all that unimpressive—being two lakh maunds in 1832, and this with a profit margin of 8 annas per maund of salt—better than the profit derived from any other description of ballast in the then existing state of Bengal market.¹⁸⁸

However, where capture of the entire Bengal salt market was the objective, the above increase was but a little consolation, especially since England was then capable of supplying a vastly greater amount of salt in consequence of the impetus her salt industry had received following the abolition of the salt duty in that country in 1825. A systematic campaign was, therefore, launched by the British salt manufacturers against the Bengal salt monopoly together with other interested quarters—the shippers and a textile interests. The agitation led to the appointment of a Select Committee of the House of Commons under the chairmanship of George Wilbraham to enquire into the supply of salt in British-India. The Committee recommended a combined system of excise and customs in place of the exclusive government monopoly. They held that by adopting the above system, government would still be able to collect their due share of public revenue to the state. To avoid drastic change, however, a set of interim measures were recommended. First, that salt should be sold throughout the year from government warehouses even in small quantities of 100 maunds. Second, the price was to be determined by adding a fixed rate of duty to the cost price of production. Third, foreign salt to be admitted on paying the same rate of duty as indigenously manufactured salt. Besides, the Committee also recommended that the rate of duty should not

188. Kaye, *East India Company*, 666.



exceed the average rate of the government's net profits for the last ten years.¹⁸⁹

The impact of admitting foreign salt in Bengal subject to the payment of a customs duty equivalent to the rate of duty on indigenous salt was, however, disastrous for Bengal salt manufacturing industry. It led to rapid squeezing of indigenous salt production. This was due to the fact that the cost of production of foreign salt was relatively cheaper and hence they could dump their product below the selling price of Bengal salt. In 1847, for example, common Bengal salt was priced, on an average, at Rs. 95 and 76; English stoved and common salt was sold at Rs. 80 and 50.¹⁹⁰ In 1845-46, no less than 15,81,986 maunds and in 1851-52 over 29 lakh maunds of foreign salt poured into the ports of Bengal the latter amount being 56½ percent of the total consumption of the Bengal Presidency in that year.¹⁹¹ The government was also compelled to abolish the 24-Parganas Agency and suspend the manufacture in Chittagong.

Though apparently it was the price differential which led to increasing substitution of foreign salt, it was nevertheless felt that with careful and sound management of the salt establishment in Bengal, it could still hold its ground against foreign competition. The Department was saddled with an expensive machinery and was not run like a commercial enterprise. Not only the salaries of its European officials were high, it had also to maintain a large preventive force to check the illicit manufacture of salt along a line of sea coast extending from Cuttack to Chittagong. Moreover, its pricing policy was also defective. The term 'cost price' for the indigenous salt was raised unduly high on account of unrelated items of expenditure like the collection of salt revenue and the prevention of smuggling. Charles Trevelyan in his monumental *Report upon the Inland Customs and Town Duties on the Bengal Presidency* in 1834 lamented the fact and asserted that the "salt revenue of Bengal might be secured in the same manner, at a much smaller expense both to the government and people".¹⁹² But the government of the

189. A. M. Serajuddin, "Collapse of the Salt Industry," 28.

190. *Ibid.*, S. Choudhuri, *Midnapore Salt Papers*, Introduction, 108.

191. Charles E. Trevelyan, 20. Therein he elaborated his plan as to how this was possible to raise the entire amount of revenue spending much lessor resources.

192. *Report from the Select Committee of the House of Commons on the Affairs of the East India Company, 1832*, (London 1833), 89.

day did almost next to nothing to bring in reforms to reduce its expenditure. They were rather proceeding, as it appears, on a well charted manner to diminish home manufacture gradually in favour of encouraging a supply of salt by importation. The Select Committee of the House of Commons, 1832 had already laid down the plan of their future action. It opined that : ". . . it is desirable to adopt means for encouraging a supply of salt by importation in lieu of manufacture by the Government". But that "it would be very inexpedient at once to abandon the home manufacture". Hence, "it is to be hoped that, . . . the home manufacture might be gradually diminished, beginning in those districts in which the cost of production and loss of human life is the greatest, until so large a proportion of the consumption shall be supplied from abroad, that it might be safe to permit the free import of salt under a customs duty, the Government sanctioning the manufacture in such districts only (if any such there might be) where it could then be profitably carried on."¹⁹³ Naturally, there was no stimulus on the part of the government to reform and make its Salt Department efficient and cost-effective. They were just biding time to get it over with once for all.

Of course, the government did not have to wait long. The clamour to abolish the salt monopoly led to the appointment of another committee in 1856 under George Plowden. The Plowden Committee recommended the gradual introduction of the excise system in place of the salt monopoly. The government which lost interest in the indigenous salt industry soon after it became a manufacturer only, found a splendid opportunity to close down its operations altogether. This was done with effect from April 30, 1863, and the state monopoly of salt was replaced by the excise system. Under this system, the manufacture of salt was prohibited except under licence, and such licences were granted only in the three districts of Orissa, viz., Balasore, Cuttack and Puri and in the 24-Parganas district, on account of manufacture in Saugar Island. The production of salt under this system, however, failed to pick up, being only 5.85 and 3.23 lakh maunds in the year 1874-75 and 1875-76 respectively.¹⁹⁴ On the other hand, imports rose to the high level of 86½ lakh maunds in 1879-80, most of it coming from Great Britain.¹⁹⁵

193. *Report on the Administration of Bengal, 1875-76*, (Calcutta 1877), 329.

194. *Ibid.*, 1879-80, (Calcutta 1880), 44.

195. Cited by M. Mohar Ali, *History of the Muslims of Bengal*, Vol. II, (Riyadh 1985), 943.



The effects of the decay of the salt industry were most distressing for the *malangis* most of whom were following the profession from generation to generation. Being left at the hands of licensed salt contractors who worked with borrowed capital, they were utterly ruthless in their exploitation of the helpless workers. Consequently, most of the *malangis* preferred to starve rather than work under the excise licensees. Many were swept away in the famine which struck Orissa in 1866. Many others migrated in search of alternative employment leaving behind their families who also probably perished due to want of wherewithal. Also affected were the zamindars of the saliferous tracts who leased out their lands in perpetuity to the government for salt manufacture. When their remuneration was stopped, many of them were unable to pay the land revenue due to government, and thus reduced to destitution. The imports of foreign salt into Bengal also meant an undesirable drain on the resources of the country, leading to increased pauperisation.

5.0 SUGAR INDUSTRY

There is evidence to suggest that India is the birth-place of the manufacture of sugar from sugar cane. The success of this branch of manufacture was so much so that the Chinese Emperor Tai Tsung (627-650 A. D.) had sent a batch of Chinese students to Bihar to study the method of cultivation of sugar cane and the manufacture of sugar. The industry was also in a flourishing state during Muslim rule. The Chinese accounts of the early 15th century speak of the abundance of sugar in Bengal and its export to other countries. Visiting Bengal early in the 16th century, Barbosa and Varthema referred to the very good quality of Bengal sugar and its extensive exportation by 'many ships' to other parts of the world. About Bengal sugar, Barbosa further mentions that sugar was then the chief article of export from Bengal and that it was in the powdered form and wrapped in the parcels of untanned leather. Bernier noted in 1666 "Bengale abounds likewise in sugar, with which it supplies the kingdoms of Golkonda and the Karnatic, where very little is grown, Arabia, and Mesopotamia, through the towns of Moka and Bassora, and even Persia, by way of Bandar-Abbasi."¹⁹⁶. Similar accounts have been left by Tavernier who described its trade at Hughli, Patna, Dhaka and

196. J. C. Sinha, *Economic Annals*, 36.

other places. The English East India Company also developed an irregular trade with England in refined sugar and candy in the mid 17th century. Down to the year 1756, Bengal's surplus sugar continued to be exported to such internal markets like Bombay, Madras, the Malabar coast, Surat, Sind and also outside India to Muscat, Mocha, Jedda and the Persian Gulf. During the period preceding the capture of Calcutta (1756), the annual exportation was about 50,000 maunds, which yielded a profit of about 50 per cent and the returns for which were generally in specie. "But the general decline of trade and industry in Bengal after 1757 and the competition of Java sugar in the markets of Western India caused a decline of this profitable trade."¹⁹⁷

For centuries past, the Gangetic plain was noted for fine sugar cane production. Prior to the advent of the British, first class white sugar was produced from *gur* throughout northern India, Burdwan and Murshidabad divisions of Bengal up to Gorakhpur. The acting resident at Benares, P. Treves found in 1793 its cultivation common to all the areas, especially in the districts of Jaunpur, Ghazipur and parts of Benares and Mirzapur. "The Benares Province", said Charles Trevelyan, "is our Jamaica; it is the great sugar district of India."¹⁹⁸ The reason for the localisation of sugar cane and the production of sugar in those areas was due to the advantages conferred by the rich and fertile alluvial soil of the Gangetic plain and the presence of thin varieties of cane admirably suited to the climatic conditions of this region. Besides sugar cane which remained the main source of refined and unrefined sugar, the supply of coarse brown sugar or molasses in Bengal was derived not from cane, but mainly from the date tree. These trees were mainly grown in the districts of Jessore, Burdwan, Barasat and Nadia in Bengal proper.

5.1 THE INDUSTRY TO 1836

The sugar produced in the second half of the 18th century was chiefly consumed in India. Benares sugar besides meeting the local demand, was also exported to other parts of Bengal and Bihar as well as to the Deccan and the western provinces. In the five years from 1787-88 to 1791-92, a total of 479,363 maunds of

197. Rohinimohan Chaudhuri, *Industries*, 13.

198. K. P. Mishra, *Baharas in Transition, 1738-1795*, (New Delhi 1975), 140, footnote 2.



Benares sugar was consumed in other parts of Bihar and Bengal, which was nearly 50 percent of all Benares sugar exports (the figure includes re-export from Bengal as well). From 1791 onwards, Bengal sugar once again entered the international market. In that year, due to the massacre of almost all the white population in the black rebellion in Haiti and St. Domingo, the largest producers and exporters of sugar disappeared. The result was a sharp rise in the price of sugar in England. Taking advantage of the situation, the English East India Company started exporting Bengal sugar. In 1791, about 4,050 cwts. of sugar was sold at the Company's sales at the India House, London. This amount had increased to 161,829 cwts. in 1795.¹⁹⁹ After the end of revolutionary war and the restoration of peace, exports began to expand substantially as could be seen from Table 5.1. In spite of all that, sugar as an exportable commodity was not important in the first quarter of the 19th century. One great obstacle was the

Table 5.1. Value of sugar exported from Bengal to all parts of the world and to U. K., 1814-15 to 1817-18
(in sicca rupees)

Year	Total export	Export to U. K.
1814-15	21,14,689	8,98,252
1815-16	23,23,927	8,17,357
1816-17	34,19,411	10,43,713
1817-18	38,81,397	12,49,012

Source : A. Tripathi, *Trade and Finance*, p. 288.

heavier import duty of 8 to 20 shillings per cwt. in England.²⁰⁰ Moreover, the long voyage round the Cape of Good Hope also increased its freight charge. But then sugar was practically the only deadweight which could be employed to ballast the East India Company's light cargo ships without loss and hence the Company continued to procure high grade Bengal sugar.

The Company though desirous of procuring sugar, did not, however, engage themselves in its culture and manufacture in the

199. Shahid Amin, *Sugarcane and Sugar in Gorakhpur: An Inquiry into Peasant Production for Capitalist Enterprise in Colonial India*, (New Delhi 1984), 16.

200. Shahid Amin, *Ibid.*, 17.

same manner as they did in the manufacture and of opium. They simply purchased it from credit-worthy merchants who could engage for considerable quantities of sugar if assisted with negotiable credit instruments or in their absence from sugar manufacturers who worked on advances provided by the Company. The sugar manufacturers in their turn advanced some of this money to the cane growers and procured the raw sugars below the market rate. The unwillingness of the government to involve themselves in the culture and manufacture of sugar has been accounted for to certain reasons beyond their control. The government had neither sufficient economic resources nor adequate machinery to control the organisation of sugar production which was far more widely cultivated than the case with opium. Furthermore, any attempt to control the sugar trade or to dislodge the indigenous merchants would have been either very difficult, or if attempted would have been bound to fail as the internal market for unrefined sugar was extensive unlike that of opium which was meant for foreign exportation. Nor could the Company spare sufficient resources to purchase all the surplus sugar. Moreover, Indian sugar was only intermittently useful as an export article for Europe. It had to compete with the West Indian, Chinese and Java sugar in the European market. In spite of their non-engagement in sugar cane cultivation and its manufacture, the East India Company's hold over the *karkhanadars* was complete. "The manufacturer for his part not only had to repay the advances in sugar, but undertook to deliver the whole of it produced in his *karkhana* to the *aurang*."²⁰¹ Moreover, the Company in entering into agreements with sugar manufacturers pledged itself to receiving only the very finest and in default kept the sugar manufacturers indebted to *kothi*.

The opening of the inland trade to private merchants in 1813 and the growth of demand in central India, linked perhaps to the pacification of the area in the 1820's, led to certain interesting developments. In the first place, this had stimulated the development of this industry within a very short period of time. John Lloyd, the first commercial resident who was sent to Benares had reported to his employers in 1789 that the quantity of sugar annually produced in the Ghazipur district was estimated at nearly 30,000 maunds, which at the prices mentioned by him

201. C. E. Trevelyan, *Report upon the Inland Custom*, 111.

was worth Rs. 1,80,000, and in the year 1831-32, the quantity upon which duty was paid in the same district amounted to 261,133 maunds, and the value of which was Rs 20,73,868.²⁰² Besides Gazipur and Benares which supplied the major portion of the Company's demand for sugar in the early 1800's, Azamgarh's share had also enormously increased by the 1820's, and by the end of the 1830's it had become one of the greatest sugar districts of India. In the second place, with the entry of private traders, the Company's grip on the local market had also substantially weakened. The principal agency houses had also their agents in Benares for the purchase of sugar, and the competition for the article was so keen that even the Company's resident had to purchase sugar at a higher rate. This was indeed a staggering blow to the Company's interests—it could only do business if the price was reduced at *aurangs* which was, however, not to be so. The bigger private merchants now started manipulating sugar prices by holding back stocks and raising *bazaar* rates. "The system of advances was calculated to enable the resident to procure sugar at 8 annas a maund less than the bazaar *nirkhnama* by having engaged for it beforehand. The indigenous merchants beat him at his own game by manipulating the *nirkhnama* to appear 8 annas per maund higher than it actually was. The sugar procurement policy of the Company had boomeranged"²⁰³. In the third place, the competition between the agency houses and the Company, as we noted earlier, had pushed the price of the commodity considerably. In 1824, its price went up by 29 percent.²⁰⁴ In 1824-25, the commercial resident at Benares was instructed to procure 4,000 maunds of sugar instead of 2,500 tons hitherto procured on account of the Company. The quantity was subsequently raised to 6,000 tons in 1828 with the result that the price of Bengal sugar rose about 50 percent higher than the cost of the Company's sugar investment of the previous year.²⁰⁵ The Company continued to order for sugar to the extent of 6,000 tons till 1830. But then it had finally to abandon this branch of commerce in 1832 when a decline in the price of sugar had taken place in London (the decline started in 1829 but the pressing necessity of providing for

202. .Shahid Amin, *Sugarcane*, 20-21.

203. S. B. Singh, *European Agency Houses in Bengal, 1783-1833*, (Calcutta 1966), 125.

204. *Ibid.*, 126.

205. *Ibid.*, 127-28.



the remittance of the funds to London to meet the general demand upon the Home Treasury rendered it incumbent on the Court to continue the investment).²⁰⁶ The private traders who conducted the British trade with India much more profitably than the Company, however, continued their investment in sugar despite the trade depression in England which lasted till about 1837.

5.2 THE INDUSTRY, 1836-1900: OVERSEAS EXPORT

We have seen in the preceding pages how under the stimulus of effective demand, the Indian sugar industry made a remarkable recovery. The industry was capable, nevertheless, of a far more rapid expansion than was the case. But the Indian exports of sugar to Britain was particularly affected by the preferential treatment accorded by the British government to the West Indian sugars. While the former paid a duty of 37 shillings per cwt., the latter bore a duty of 27 shillings only. The overall incident of duty on Indian sugar amounted thus, according to George Tucker, a high ranking East India gentleman, to 200 percent on prime cost. The injustice was aggravated still further by indiscriminate levying of another 5 shillings payable on clayed sugar that India seldom produced. Moreover, West Indian sugar was also given a subsidy of 3 shillings per cwt. for every ton re-exported from Britain. Had it not been for this unequal duty, "the monopoly of the West Indian merchants would have been seriously affected."²⁰⁷

This differential treatment between two groups of producers—the West Indian merchants and planters and the East India Company, according to many civil servants in India, was violation of 'common justice' and was inconsistent with the 'fair principles of reciprocity'. Besides civil servants, even economists like Ricardo, McCulloch and John Stuart Mill voiced their disapproval most vehemently. Mill, for example, attacked in unequivocal terms the preference shown to West Indian sugar in an article in the *Parliamentary History and Review*. "If the duties were equalised", Mill argued, "the taxed commodities either could, or could not, be obtained at less cost from the East Indies than from the West. If they could, the discriminating duties are a tax on the people of England, to enable the West Indians to carry on ... losing business. If not, the duties are meant for no purpose except

206. C. H. Philips, *East India Company*, 250.

207. *Ibid.*, 194.



to ward off a danger which does not exist; they ought, therefore to be repealed."²⁰⁸ Also active were the East India traders who led by the Company's Chairman, Wigram, endeavoured to obtain in 1922 an equalisation of the duty on East and West Indian sugar. The subject was debated at length in five successive General Court meetings, where the general opinion was that "the intention of the Government was to crush India by giving an undue preference to the West Indian colonies"²⁰⁹. Sir Charles Forbes, a prominent private trader even suggested seats to all the Company directors in the House of Commons so that their case might be heard more favourably than hitherto been the case. In 1823, the Company tried its strength in Parliament by demanding a Select Committee but the motion was rejected by a majority of 127 to 34 votes. Many petitions were subsequently made to the Board of Trade favouring equalisation but William Huskisson, its President, failed to persuade the powerful West Indian sugar interests to allow a reduction on Indian sugar. At last victory was won in 1836 when Parliament passed an act, allowing Indian sugar to be brought to England on equal terms with that from the West Indies, i.e. 24 shillings a cwt.²¹⁰ Nevertheless, duties on West and East Indian rum were not altered. During this time, it may be mentioned, Indian rum (which was distilled both from *gur* and from molasses, the refuse of *gur*) on importation into England paid a duty of 15 shillings a gallon as against a duty of 9 shillings only for West Indian rum, although the latter was stronger. This inequality in the duty of rum, besides being injurious to the manufacture of both sugar and rum, created a sour feeling among the people of India that their interests were still being sacrificed to those of more favoured countries. C. E. Trevelyan in his evidence before the Select Committee of the House of Commons (1840) emphasised the need for equalisation of the duty on rum as well in most emphatic terms. "It is a mere mockery", he thought, "to give equality in one respect only; in order to establish equality you must equalize the duty on all the articles manufactured from the sugarcane."²¹¹

208. Philips, *East India Company*, 250.

209. Evidence of J. C. Melville before the Select Committee of the House of Commons, 1840. Cited by R. Dutt, *Victorian Age*, 100.

210. *Ibid.*, 104.

211. R. Dutt, *Victorian Age*, 126.



Yet equalisation of duties on East and West Indian sugar opened up a vast market for Indian sugar in London (see Table 5.2). Apart from equalisation of duties, the emancipation of slaves in the Caribbean at about the same time also favoured the export market of Indian sugar. The average price, for example, of British Guianese sugar had risen by 28 percent in the immediate post-emancipation period. The other contributory factor which went in favour of India was the reduction in freight to England, especially on ships touching Calcutta after dumping emigrants to New South Wales. "There has been no instance of such growth," said Sir John Bagshaw quoting from an Indian newspaper, "in any article of commerce at any preceding period. There has been no development of the resources of India to be compared with this sudden increase."²¹²

The boosting of Indian sugar export to London, it may be pointed out, was made possible as a result of expansion in sugar

Table 5.2 Exports of Sugar from Calcutta to England, 1833-47

Year	Quantity (in tons)
1833-34	1,554
1834-35	2,435
1835-36	7,525
1836-37	14,033
1837-38	22,965
1838-39	27,403
1839-40	28,401
1840-41	66,031
1841-42	55,823
1842-43	60,505
1843-44	59,095
1844-45	58,385
1845-46	67,000
1846-47	80,021
1847 (May-Oct.)	35,601

Source : Parliamentary Paper, 1847-48, XXIII, Part I, 32.

212. Shahid Amin, *Sugarcane*, 35.

cane cultivation in India. After the dislocation of their sugar business in the Caribbean in the late 1830's, and early 1840's, many European planters had migrated to India. The same happened with some Mauritian planters. It was through the instrumentality of these Europeans who by giving direct advances to peasants, and through the use of intermediaries gave a tremendous spurt to sugarcane production. For example, in 1836 not more than 10,000 acres of cane was grown in Gorakhpur, and in 1843, the acreage had shot up to 150,000.²¹³ Besides being engaged in sugarcane plantation, some of these European gentlemen had also sunk considerable capital in setting up factories run by steam power. Factories were started at Azizpore, Motihari, Belsund, Barachakia, Gorakhpur and Rosa aiming at producing sugar direct from sugarcane. Of the above, the famous Rosa factory for the production of rum and sugar, was established by Messrs. Carew and Company at Shahjahanpur. The Rosa factory, it is said, once supplied nearly all the rum consumed by the army in India amounting to over 52,250 gallons of London proof.²¹⁴ Enterprises depending on *gur* refineries were started in Bengal, and of this, those at Doobah (near Calcutta), Albion and Ballicol were the largest. Doobah could turn out 7,000 tons of sugar a year, and was the "largest and best equipped in the world".²¹⁵ Alongside European speculators, indigenous sugar refineries, called *chini karkhanas* were also set up, especially in Gorakhpur region where there was abundant fuel supply and lower land revenue rates. The *karkhanadars* there were doing a brisk business in indigenously refined sugar with the agents of Calcutta business houses.

The sugar boom, however, did not last long. In 1846, with the triumph of Cobdenism, British tariff policy swung violently towards free trade. This meant the admittance into Britain of slave grown sugar from outside the British Empire on equal terms with that produced by free labour. As a result, the price of sugar in the London market suddenly fell, and with that the exports of Indian sugar to Great Britain. The shrinkage in export inevitably led to collapse of numerous recently established sugar enterprises

213. W. H. Carey, *John Company*, 413.

214. M. P. Gandhi, *The Indian Sugar Industry*, 5.

215. *Report of the Committee appointed to inquire into the prospects of cultivation of Sugar by Indigo Planters of Bihar*, (Calcutta 1901), Para 19.

**Table 5.3 Exports of Sugar from Bengal to Foreign Ports
1872-73 to 1876-77.**

Year	Total Exports		To United kingdom	
	Cwt.	Value (Rs) (in thousand)	Cwt.	Value (Rs) (in thousand)
1872-73	171	18,29	144	14,53
1873-74	136	13,28	115	10,36
1874-75	107	10,14	87	7,54
1875-76	84	8,11	58	4,77
1876-77	637	68,53	N. A.	N. A.

Source : *Report on the Administration of Bengal, 1875-76* (Calcutta, 1877), 226; *Ibid.*, 1876-77, 166. The extra-ordinary expansion of Bengal's sugar export in 1876-77 was explained to the failure of the beet sugar crop in France, and the consequent stoppage of one of the chief sources which ordinarily supplied Europe with sugar.

shattering thus the dream of many sugar speculators. They could do business only if the price of sugar was reduced by rationalisation of the industry which, however, they miserably failed to do. Moreover, there were other follies, which were later pointed out by a government appointed committee in 1901:

Much of the machinery ordered out in haste was found unsuitable; the persons who were to work it did not know their business; there were no means of repairing the broken machines; some parts of the machinery were lost in the long and laborious transit up the river which then formed practically the only means of communication; the sugar made was of a class for which at that time there was no demand in the country and all of it was sent down in boats to Calcutta suffering heavily from wastage by theft and leakage in ill-founded boats, while not infrequently there was a complete loss of boat and cargo. When the sugar, or what was left of it, finally reached its destination, after a long journey during which interest and other charges were accumulating, it could not find a profitable market in competition with sugar produced much nearer and more cheaply. Further, just as the industry was started there occurred the failure of the Union Bank which shook the Indian mercantile

world, and the planter found that it was hopeless to obtain funds to any extent even for the prosecution of a well-established industry much less for one that was new, one which short experience had already shown to have started on a wrong basis, and one which could not in the existing conditions hope to succeed.²¹⁶

About this time, the beet sugar industry in Europe was also making rapid strides. In majority of the countries, the industry was fostered by direct government help, and by 1870, European beet sugar industry was able to contribute at least one-third of the world's total supply of sugar and that too at a competitive rate. Importation of sugar by European countries thus virtually ceased, except by England, which continued to procure some raw sugar from India (or inferior quality of sugar used mostly in brewing) for British refineries which came to be established during this period (See Table 5.3). Finally, the 'bounty system came on the scene that hastened the ruin of one of the chief items of Bengal's export trade.

5.3 PRODUCTION AND CONSUMPTION OF SUGAR, c. 1900-1947

The external demand for Bengal sugar though fluctuated with international political and economic scene, Bengal within herself had a steady market for this commodity. The sugar consumed was of very low quality—unrefined sugar—known throughout Bengal as *Gur*. It was chiefly produced from cane juice in its unprocessed state concentrated to its solidifying point without undergoing any material process of purification save the addition of a small amount of alkali or other clarifying ingredient, and the removal of the scum. This was the form in which *gur* was consumed by the people living in the villages. It has been used not only as a sweetening agent in food and drink, but principally an article of diet. It has an attractive flavour, delicious taste and is very nutritive and hence preferred to white sugar by the villagers. *Gur* was also used on ceremonial and auspicious occasions even in towns. *Gur* was also sold to tobacco dealers to mix with tobacco, and to the spirit makers. Above all the price of *gur* was also relatively cheaper. Hence, the continuance of the production and consumption of *gur* in such large quantities. In the 19th century, only a very negligible proportion of *gur* was

216. M. P. Gandhi, *Sugar Industry*, Table 12, 55.



used for conversion into sugar in the refineries. As late as 1923-24, over 71 per cent of cane crop of India was used for *gur* manufacture only, and less than 5 per cent for sugar production in factories or for conversion of *gur* into sugar in sugar refineries.²¹⁷ The per capita consumption of sugar and *gur* in India in the same year was 21.2 lbs., out of which *gur* constituted 16.5 lbs. and sugar 4.7 lbs. only.²¹⁸ It was hoped that with the improvement in the purchasing power of people, the spread of the tea habit, and the substitution of sugar for *gur* in the sweetmeat trade and the demand for a clean and white product from sugarcane, the consumption of *gur* would decrease. But this did not happen. The statistics of per capita consumption of sugar and *gur* in India for the year 1941-42 showed the earlier trend. Out of a total per capita consumption of 25 lbs. of sugar and *gur* in that year, the in-take of *gur* was 18.5 lbs. against only 6.5 lbs. of sugar.²¹⁹ The *gur* industry thus continued to flourish as there was a strong bias in the minds of a large majority of the people for the use of *gur*.

The total internal production of sugar in Bengal is difficult to estimate at least for the years prior to 1890-91 due to non-availability of relevant data. In that year, 1,126,781 or 41 per cent of British India's total sugarcane acreage was in Bengal.²²⁰ Her sugarcane area, however, dramatically declined to 33.98 per cent of India by 1898-99, and in 1908-09 it came down to 22.5 per cent. The total acreage under cane in Bengal was 2,33,000 in 1932-33 and 2,57,000 in 1933-34. "In point of area under cultivation of cane Bengal now stands fourth in India, but it is well-known that in the early years of the 20th century Bengal took the second place."²²¹ H. E. Annet tells us from his experience in a village in Jessore district that about 20 *pucca* maunds of *gur* per *bigha* (of one-third acre) was the usual yield, but that 30 maunds was usually obtained. On the other hand, another source puts the normal yield of *gur* to 37 maunds per acre, which he says, has now increased to 50 maunds per acre, due largely to the introduction of

217. *Ibid.*, Table 16, 66.

218. M. P. Gandhi (edited), *Sugar Industry*, (Bombay 1943), Table 5, XXXVI.

219. Frederick Noel Paton, *Notes on sugar in India*, (Calcutta 1911), 27. From the returns, it appears that Bengal's sugarcane acreage was the largest in British India. It was followed by that of the United Provinces which had 1,104,334 acres under sugarcane in 1890-91.

220. M. P. Gandhi (ed.), *Sugar Industry*, 90.

221. *Report on the Administration of Bengal, 1976-77*, (Calcutta 1878).



improved varieties of cane. Taking roughly, say 40 maunds of *gur* to an acre, and that 70 percent of the cane produced were used for the manufacture of *gur*, the total production of cane *gur* for the year 1933-34 would thus be 262,000 tons. This figure, needless to say, was far more higher in the 19th century and in the early parts of the 20th century's larger acres were then under sugarcane cultivation.

Besides cane *gur*, Bengal was also famous for date sugar production. In Nadia, date trees were cultivated in large numbers in the eastern parts of the district. In Jessore, date sugar was a staple manufacture. In Faridpur, sugar was manufactured both from date and cane. "The cultivation of the date tree and the manufacture of date sugar are very extensively carried on in the district of Jessore, in parts of Nadia, in the sub-divisions of Bashirhat and Satkhira in the 24-Pergunnahs, and to some extent in Faridpur. It is a popular and profitable cultivation for the *raiya*s, who grow the trees in clusters around their houses, on the boundaries of their fields, and occasionally in large open gardens occupying broad areas of land."²²² As many as hundred trees were frequently planted on a *bigha* of land. The trees became profitable after seven years of growth, and continued to yield a return for 30 to 40 years. Each tree during winter season yielded around one maund of unrefined sugar. In the early 1940's, the industry was confined to a few districts like 24-Parganas, Howrah, Midnapore and Faridpur. The total yield of *gur* at this time was estimated at about 100,000 tons annually.²²³

The sugar, refined or unrefined, manufactured within Bengal was widely traded internally in the 19th century. The surplus of one region found its way to deficit areas by means of country boats, steamers, rail and road. From the information on the internal trade of Bengal, though by no means of a complete character, we get the following figures of the quantity and value of internal trade in sugar for the year 1876-77:²²⁴

	<u>Quantity (in maunds)</u>	<u>Value (in Rupees)</u>
Sugar, refined	15,85,000	1,90,20,000
Sugar, unrefined	29,61,000	1,18,43,000

222. M. P. Gandhi (ed.), *Sugar Industry*, 68, 70.

223. *Report on the Administration of Bengal, 1875-76*, (Calcutta 1877), 174.

224. *Ibid.*, 1876-77, 195.

The chief exporting districts were Jessore, Nadia, 24-Parganas and Faridpur. Jessore, which was the most important sugar district of Bengal, exported as much as 7,75,000 maunds; from Nadia the exports were less than 200,000 maunds; from the 24-Parganas, 275,000 maunds of unrefined sugar and 150,000 maunds of refined sugar; and the district of Faridpur exported over 200,000 maunds.²²⁵ All these districts exported to Calcutta, Bakarganj, Pabna, Dhaka and Mymensingh. Calcutta imported by Eastern Bengal Railway over 275,000 maunds of unrefined sugar, and nearly the whole of the supplies from the 24-Parganas and much of the river-borne export from Jessore and Nadia. The large marts of Jhalkati and Nalchitty imported from Jessore in exchange for the rice sent into the northern part of the Jessore district. Serajganj and Narayanganj also imported from Jessore and Faridpur. Small refineries were also set up in the important sugar cane growing areas to satisfy the local demands for refined sugar. In Nadia, the chief sugar refining centre was Santipore town where there were some 30 manufactories giving employment to about 500 labourers during the working season. There were also refineries in the Bongaon and Ranaghat sub-divisions. In Jessore, factories existed at Kotchandpur and other places. In Faridpur, refining was mainly carried on in Goalundo sub-division. There were also said to be some 230 sugar refineries in the Satkhira and Bashirhat sub-divisions of 24-Parganas.

5.4 DECLINE OF THE INDUSTRY

Till around 1890 Bengal appears to have been more or less self-sufficient in sugar. Furthermore, till about the middle of the 19th century, as we have noted earlier, she was even a major supplier of the commodity in the international market. However, in the last decade of the 19th century, not only her export trade vanished, she was even forced to the necessity of importing from abroad large quantities of sugar for home consumption. The average importation of foreign sugar by sea to Calcutta for the five years, 1884-85 to 1888-89, was 6,264 tons of refined, and 3,285 tons of unrefined cane and beet sugar.²²⁷ The import figure had increased to a staggering 2,31,101 tons of refined, and 68,943 tons

225. *Ibid.*

226. Noel Paton, *Notes on Sugar*, 20-21.

227. *Ibid.*



of unrefined sugar by 1909-10.²²⁸ The value of sugar imported into Bengal in 1900-01 was 1.60 crore rupees; which had increased to 6.65 crore rupees, being the average value for the five years, 1914-15 to 1918-19; and to 12.44 crore rupees by 1921-22.²²⁹ The aforesaid statistics thus shows a large increase in imports.

The increase in the imports of sugar from abroad was, however, necessitated by a fall in the cultivation of sugarcane in Bengal. Cultivators now preferred to grow more food crops as the price of which during this period had registered a sharp increase, and also to the cultivation of jute crops. But then, "it is necessary to bear in mind that sugar itself is a food crop, and if it has not participated fully in the appreciation of food crops, there is evidently some depressing influence peculiar to itself."²³⁰ The low yield of cane crop per acre was one of those 'depressing influence' which did not make sugarcane cultivation any more a remunerative pursuit. Whereas due to the introduction of improved varieties and better methods of cultivation, some regions like Java and Mauritius were able to increase their yield per acre to an appreciable degree, Indian yield per acre remained very low. According to Noel Deerr, sixty tons of cane to the acre might be taken as an exceptionally high yield, 40 tons being above the average. On the other hand, as late as 1930-31, the average yield of cane per acre in India was only 12.3 tons.²³¹

Besides low yield, wastage in the indigenous processes of extraction and conversion into both sugar and *gur* was no less responsible for the decline of the sugar industry in Bengal. Sugarcane cultivators who were also usually *gur* manufacturers, used primitive methods in crushing the cane and subsequently in boiling the juice. They used the *ghani* or wooden mortar and pestle mill in which the pestle was rolled against the sides of the mortar by a lever attached to it. They also used *chaki*, consisting of two horizontal wooden rollers with screws fitting into each other. These were, however, gradually been replaced by iron mills, and by around 1916 were in common use in all the districts of Rajshahi division, and in the districts of Faridpur, Bakarganj,

228. *Statistics of British India, Part II, Commercial, 1909-10*, (Calcutta 1911). 18; *Report on the Maritime Trade of Bengal, 1921-22*, 40.

229. Noel Paton, *Notes on Sugar*, 35.

230. M. P. Gandhi (ed.), *Sugar Industry*, Table 10, XXXIX

231. M. P. Gandhi (ed.), *Sugar Industry*, 63.

and a greater part of Chittagong division. Appreciable improvements were also said to have been made in the furnaces and pans "but in essentials, the process is much the same as it was a hundred years ago, the fresh cane juice being boiled down to a solidifying point in an open pan."²³² Due to the use of primitive technology, the sucrose content of the cane remained very low in India. In fact, according to the *Indian Industrial Commission*, at least one-third of the sugarcane grown in India was wasted owing to inefficient and primitive methods of extraction. The Indian Sugar Committee, 1920 observed in this regard :

A thoroughly up-to-date factory can extract at least 96 per cent of the sugar actually present in the cane, and by an efficient control in the boiling house, 90 per cent of the sucrose in the juice can be recovered as manufactured sugar. In other words, about 86.4 per cent of the original sucrose in cane can be obtained as sugar.²³³

Whereas in Bengal, the recovery of sucrose content of the cane worked out to about 52 percent.²³⁴

The dumping of foreign sugar was no less responsible for the decline of this industry. Phenomenal advances were made in the art of sugar production in places like Java, Mauritius and Formosa. Not only were the agricultural aspects of the industry been systematically explored with the object of securing better varieties of cane at a cheap price but the manufacturing aspects of the industry had equally been improved. As a result, the price, say, of Java sugar in India had declined by 25 percent during the first sixteen years of the present century (as against a rise in the price of Indian crude sugar by 26 percent) and with that the importations of foreign cane sugar in Bengal increased by leaps and bounds (as could be seen from Table 5.4). Threat was also posed by bounty-fed sugars imported into Bengal from Austria-Hungary and Germany. The increasing importations not only led to closing down of many small refineries, but also to a shrinkage in the cultivation of cane-sugar which provided employment to thousands.

The precipitous decline of this important indigenous industry of Bengal was also due to the lack of state patronage. The govern-

232. *Report of the Indian Sugar Committee*, (Simla 1920), 260.

233. M. P. Gandhi (ed.), *Sugar Industry*, 28.

234. M. P. Gandhi (ed.), *Sugar Industry*, 14.

ment remained passive, and did not take corrective measures in time to revitalise the industry. " ... it must be observed that Government never comprehended the full significance of the development of sugar-manufacturing industry in the agricultural, rural and industrial economy of the country."²³⁵ This was quite in contrast to European countries like Germany and Austria where the industry had received state bounties to export beet sugar. The

Table 5.4 Quantity (in tons) and Value (in Rs.) of Cane and Beet Sugar (refined and unrefined) imported from foreign countries by sea to Calcutta, 1885-86 to 1909-10

<u>Year</u>		<u>Cane sugar</u> (Quantity)	<u>Value</u>	<u>Beet sugar</u> (Quantity)	<u>Value</u>
Av. of 5 years ending					
	1890-91	14,276	24,41,538	3,722	8,92,022
	1895-96	22,775	41,48,311	3,516	8,73,351
	1900-01	42,606	65,81,580	19,659	44,12,700
	1905-06	86,757	1,35,93,725	27,679	56,00,680
For the year-					
	1906-07	180,489	2,19,10,403	62,749	1,11,52,202
	1907-08	179,142	3,68,60,150	3,923	9,44,290
	1908-09	269,582	4,32,33,589	13,124	28,97,953
	1909-10	289,329	4,77,32,762	10,715	24,90,298

Source: Constructed from Frederick Noel-Paton, *Notes on Sugar in India*, (Calcutta, 1911), p. 20-21.

role of the state as patron in the development of the sugar industry in regions like Java, Mauritius, Formosa, Hawaii and the West Indies may be cited. "...unlike other countries, where sugar production was backed up by well-organized research sponsored or financed by the government, India had no sugar research bureau properly speaking..."²³⁶. It is true that the government of

235. A. K. Bagchi, *Private Investment in India, 1900-1939*, (Cambridge 1972), 369.

236. Bipan Chandra, *The Rise and Growth of Economic Nationalism in India*, (New Delhi), 258.

India had levied an import duty of 5 percent on all imported sugar from 1894-95, and there after increased the duty successively from 1916 onwards but that was for revenue purposes only. Besides import duty, the government also imposed countervailing duties on beet sugar imported from the continental countries in 1899. But the government forgot that beet sugar was not the only enemy of India's refined sugar. Cane sugar imported from Mauritius and the West Indies were important competitors too. What the government should have done was to extend the measure to all the sugar imported from abroad, irrespective of beet or cane sugar. The real purpose behind the measure was, therefore, "to help the planters and manufacturers of Mauritius and the West Indies in driving away from the Indian market their rivals, with whom they were unable to compete otherwise."²³⁷ Furthermore, if the government was genuinely interested in reviving and encouraging the Indian sugar industry, it would also provide direct aid and encouragement to indigenous industry and make efforts to improve cultivation of sugarcane and methods of manufacture of sugar. In the year 1919, the Government of India appointed a Committee (known subsequently as the Indian Sugar Committee) under the Chairmanship of J. MacKenna, Agricultural Adviser to the Government of India to examine the various aspects of the industry and to suggest improvements in this regard. The Committee submitted a very favourable and comprehensive report but the recommendations were pigeon-holed.

5.5 TARIFF PROTECTION AND THE GROWTH OF THE INDUSTRY

The establishment of the Imperial Council of Agricultural Research (1929) with a Sugar Committee attached to it led to important developments. One of the recommendations of the Sugar Committee, which met for the first time in October, 1929 was that the government should be asked to institute an enquiry through the Tariff Board in regard to the question whether protection should be given to the Indian sugar industry. The government of India accepted the recommendations and ordered a Tariff Board enquiry into the question of the claim of Indian sugar industry for protection in May, 1930. The report of the Board was published in March, 1931.

237. A. K. Bagchi, *Private Investment*, Chapter 12, Section 12.4., M. P. Gandhi (ed.), *Sugar Industry*, Table 3, xxxiv.

The Tariff Board after examining the industry's claims to protection recommended a scheme of protection to the industry for a period of 15 years. The Board proposed that the protective duty on sugar should be fixed at Rs. 7-4-0 per cwt. for the first seven years of protection and at Rs. 6-4-0 per cwt. for the remaining eight years. The government of India accepted the recommendations of the Board, and the Sugar Industry (Protection) Act, 1932 was passed by the legislatures. The act provided for the fostering and development of the sugar industry and in accordance with its provisions, a protective duty at the rate of Rs. 7-4-0 per cwt. was imposed on all classes of sugar until March, 1938. It was also decided to investigate a further enquiry before the end of that period to ascertain if the protection to the industry for the next eight years ending March, 1946 should continue to the same or to a greater or lesser extent. In addition to the protective duty, a revenue duty was also imposed.

Table 5.5 Number of Sugar factories working in different provinces of India, 1931-32, 1941-42

Province	1931-32	1941-42
United Provinces	14	70
Bihar	12	31
Punjab, Sind & NWFP	01	04
Madras	02	11
Bombay	02	10
Bengal	nil	09
Orissa	nil	02
Indian states	nil	13
Total for India :	32	150

Source : M. P. Gandhi (ed.), *The Indian Sugar Industry* (1942 annual), (Bombay, 1943), xxxiv.

Behind the shelter of an adequate tariff wall, an unprecedented development of sugar industry took place in India. Indeed, there are few instances on record which would parallel the Indian industry in respect of the rapidity and certainty of growth. In ten years time, the number of sugar factories had increased to 150 from 32 in 1931-32 (see Table 5.5). In Bengal proper (excluding



Bihar and Orissa which had by then formed into separate provinces), 9 factories were in operation in 1941-42 having a crushing capacity of 313,600 tons of sugarcane. The mills produced some 23,700 tons of sugar in the same year.²³⁸ Whereas before the tariff protection, there was no modern sugar factory in Bengal. The progress could still have been more but for the internal competition of other provinces, especially that of the United Provinces and Bihar, where the cost of sugarcane was lower and the recovery of sugar in factories higher. "But so far as the province of Bengal is concerned the length of the prevailing crushing season and the lower recovery percentage seem to be incompatible with natural conditions and it appears that the potentialities of the province in this respect have not been given a fair trial as yet."²³⁹

Thus from the foregoing study, we find that Bengal's once famous sugar industry underwent dramatic changes in its fortune under British rule. In the second half of the 18th century, the industry had declined as a result of general dislocation of Bengal economy brought about by the cataclysmic events of 1757. Though somewhat recovered due to 'black rebellion' and the opening of inland trade in 1813, the industry continued to suffer unjustly due to higher tariff being imposed on British Indian sugar vis-a-vis West Indian sugar at the British ports. No doubt, in 1836 duties on sugar were equalised but not so on rum. The British policy of free trade pursued most vigorously since 1846 was another factor which gradually drove Indian sugar out of the international market. The *laissez-faire* policy also hit the internal market of India and she soon became an important consumer of foreign sugar. The neglect of the state in not introducing improved varieties and better methods of cultivation and manufacture of sugar, and the flourishing of beet and cane sugar industry under state patronage in various countries further aided its decline. The import duty, and the countervailing import duties on beet sugar in India failed to stem the tide of decline, and India to her great shame increasingly became the dumping ground of foreign sugar. In 1919, the Government of India though constituted a committee to investigate into the condition of the sugar industry and to suggest its improvements, its recommendations were conveni-

238. T. R. Sharma, *Location of Industries in India*, (Bombay 1946), 130.

239. George Birdwood, *The Industrial Arts of India*, Vol. I, (London 1880), 136.



ently shelved for nearly ten years. It was only after the granting of protection to the industry as per the recommendations of the Tariff Board, that the industry once again started to take shape. However, Bengal had yet to go a long way to make up its lost ground.

CONCLUSION

Before the advent of the Industrial Revolution, Bengal had a balanced economy. Both her agriculture and manufactures were sufficiently developed in pre-industrial terms. Her soil, enriched by alluvial deposits of the Ganges and its tributaries, made it fertile and rich. The copious rainfall falling upon such soil rendered cultivation easy and profitable. Agriculture, therefore, from time immemorial was the mainstay of the economy of Bengal. On the other hand, her manufactures were no less developed. Besides her textile industries as well as sugar, ship building and salt, a wide variety of crafts and industries grew up all over the province catering the needs not only of the people of the region but also for markets abroad. Special mention may be made in this regard of manufactures of iron and steel, brass and bell-metal, ivory carving, jute weaving and pottery. Thus in Bengal the most important occupations of mankind were most happily blended together.

An interesting feature of Bengal crafts and industries during this period was the specialised nature of her labour force. The artificers and craftsmen specialised in one single work, 'a goldsmith will not work in silver, nor a silversmith in gold'. This was quite in contrast to prevailing European situation where specialisation of labour was yet to emerge. The intricate division of labour in Bengal even within a particular manufacture, say, in cotton textile, helped turn out exquisitely beautiful products by skilled artisans and at a comparatively cheap rate. This was one of the reasons which led to foreign demands for her industrial products throughout ages. Indeed, as Birdwood says, "the whole world has been ceaselessly pouring its bullion for 3,000 years into India to buy the products of her industries".²⁴⁰

Britain was no exception to this either. A large part of the English East India Company's export items (as well as those of

240. England's Almanac, 1700. Cited by Shafaat Ahmad Khan, *The East India Trade in the XVIIIth Century*, (London 1923), 215.



private traders and of interlopers) since the earliest days had been muslins and calicoes and of raw and manufactured silk products of Bengal. The popularity of her textiles among the British consumers became so much so that by the 1690's petitions were made in Parliament calling for prohibition against further importations of finished Indian textiles on the ground that they seriously damaged the position of the woollen interests at home. Rates of duty on Indian textiles were increased but the remedy was held to be insufficient. The East India traders were now charged with preferring the welfare of the Mughal subjects, the advancing of his lands, and the employing of his people to the welfare and employment prospects of their own countrymen. These criticisms of the English Company also found expression in the jingles of the time. One of these written in 1700 ran thus:

Whilst they promote what Indians make,
 The Employment they from the English take,
 Then how shall Tenants pay Their Rents,
 When Trade and Coins (are) to India sent?
 How shall folks live, and Taxes pay,
 When Poor want work, and go away?
 Such cargoes as these ships bring over,
 In England were never seen before.²⁴¹

The outcome could not have been happier. India House in London was attacked by the Spitalfield weavers in 1697 and by acts of Parliament in 1700 and again in 1720, the British manufacturers had succeeded in securing restrictions on the import of cotton goods (printed and dyed calicoes) and complete prohibitions on certain classes of muslins. Similar laws were enacted during the rule of the first three Georges. Henceforth, the Company imported mainly finished products for re-exportation to the continent and elsewhere abroad. Thus, by the beginning of the 18th century, skirmishes started between the growing industrial capitalism of England and that of a rapidly developing mercantile company.

241. Barber, *British Economic Thought and India, 1600-1858*, (Oxford 1975), 403.

Meanwhile, the English East India Company deeply entrenched themselves in Bengal trade more especially after the granting of Emperor Farrukh Siyar's *farman* of 1717 which permitted them to trade in Bengal for an annual sum of Rs. 3,000/00 only. Soon afterwards, the prevailing political situation arising out of the disintegration of the mighty Mughal Empire encouraged them to fish in the troubled water. The English Company through sheer chicanery, fraud and deception was able in 1757 to become the king makers of Bengal and by 1765 they became the *de facto* government of Bengal thus embodying a formal merger of the state and private enterprise. The Company's rapacity now knew no bounds, and with that of their servants. The monopolistic trade of the Company and the oppression of the English merchants on the industrial workers together with innumerable restrictions, limitations and prohibitions affected the production of various articles of manufacture. Even salt manufacture was not left alone. A state monopoly of trade as well as of manufacture in that article was established, leading to an astronomical rise in the price of an essential article of mass consumption. However, we must credit the Company for favouring production as it stood to gain by exporting manufactures and for creating conditions under which shipbuilding industry could grow. This was quite in contrast to the home government's mercantilist policies which favoured the production of manufactured goods in England and their export in return for raw materials and bullion.

The English East India Company, however, could not long maintain its hold on the lucrative trade of the East. By the beginning of the 19th century, industrial capitalism in England became a formidable force and the strongest enemy of the Company's monopoly. Voices were now heard from various interest groups especially those of textiles and private merchants calling for a reorientation of the trading pattern between the East and the West. It was thought to be inconsistent and incompatible to have manufacturing industries both in India and in England. "In short, the times required a new international division of labour. India's primary role should be redefined as one of supplying raw materials for British industry."²⁴² Nor was it

242. R. Mukherjee, *The Rise and Fall of the East India Company*, (Bombay 1973), 123.

surprising. Behind a high tariff wall and prohibitions on imports, the machine made textiles of England were now in a position to undercut Indian products even in their own home ground. Accordingly, when the time for the renewal of the Company's Charter came in 1813, its monopoly was abolished and trade was thrown open to all Englishmen, and "thus the industrial bourgeoisie of Britain obtained a free outlet for their manufactures into the great field of India."²⁴³ During the period from 1800 to 1850, an elaborate network of rules and regulations were also designed both in England and in India through the agency of the Governor-General to aid British textiles and other industries. Under the impact of such mercantilist provisions, her once celebrated cotton textile industry declined, and so did her salt and shipbuilding industries. (The chief among those regulations related to laws forbidding the exports of certain technology such as textile machinery and controls against the emigration of skilled artisans. High protective duty against the importation of manufactured textile goods was another. Navigation laws were also tightened so as to curb the growth of Indian shipbuilding industry. Similar prohibitory laws and orders were also issued in India aiming to stifle Indian industries. Imposition of internal duties was one of those measures. The import of textile goods at a nominal duty was another.) Unfortunately, however, "India's colonial status and political impotence precluded her taking any of the corrective or retaliatory measures to which sovereign countries resort either to push exports, insulate the home market from foreign manufactures, or develop home industry to the point where it can compete with foreign industry on equal terms."²⁴⁴

The triumph of *laissez faire* principles and of free trade was the death-knell for Bengal industries. Her sugar now received no preference in England. Beset with removable problems but lacking in state patronage, her once glorious silk industry also gradually passed off. The free flow of mass produced machine made goods aided by the expansion of roads, railways and canals, improvement of seaports and the abolition of duties led also to

243. Helen B. Lamb, 'The "State" and Economic Development in India,' in Simon Kuznets (et. al.) (edited), *Economic Growth: Brazil, India, Japan*, (Duke University Press 1955), 468.

244. P. Padmanabha, *Economic Conditions of India*, (London 1925), 27.

the destruction of other indigenous industries. "The evils inflicted by the import trade on Indian industries are, comparatively much more serious. An inquiry into the conditions of Indian trade between 1850 and 1880 shows,...that a great displacement of trade had taken place during the period, which had diverted its profits from Indian to English pockets."²⁴⁵

It remains, however, a tragedy of the greatest magnitude that the government of the day rather than promoting industrial development for widening the sources of wealth deliberately and systematically pursued policies aiming at the displacement of the ancient arts and industries of the land. This led to increasing pauperization and ruralisation of the country and made the burgeoning population of Bengal solely dependent on the agricultural resources. But agriculture, being dependent on the conjunction of meteorological conditions and natural fertility, brought uncertainties in the economic lives of the people as manifested by the recurrent famines and scarcities (the chronic hunger and poverty resulted in the loss of enterprising spirit among the people as well). No doubt a few large scale modern industries were set up with expatriate capital but the profits of the same were drained out of the country and fertilised foreign lands. Thus the region which once 'could safely hold her own in the market for manufactured goods' in the 17th and early 18th centuries, now fell far behind—her per capita income was estimated in 1916 at only £2 compared with Scotland's £45²⁴⁶, and the value of average per capita output of manufactured goods a quarter of Egypt and one-tenth of Mexico. In other words, her economy under British rule remained stagnant at the pre-industrial level with perhaps negative economic growth.²⁴⁷ The

245. Sukumar Bhattacharya, *The East India Company and the Economy of Bengal from 1704 to 1740* (Calcutta 1969), 172-73.

246. For an interesting summary on the debate relating to 'arrested' economic development in India under British rule, See Mufakkharul Islam, 'The Debate on the Question of "Arrested" Economic Development in Indian sub-Continent under British Rule', in মানববিদ্যা বক্তৃতা (উচ্চতর মানববিদ্যা গবেষণা কেন্দ্র, ঢাকা বিশ্ববিদ্যালয়, ঢাকা, n.d), 1-52. Prof. Islam takes a very generous and charitable view of many of the criticisms levelled at the pre-industrial Indian society by the imperialist writers and yet could not help conclude that the Indian economy was capable of transformation to industrial capitalism. This possibility was frustrated by the colonial government which deliberately and systematically foiled her take-off into modern economic development.

pathetic and helpless condition of the country which lay prostrate at the end of British rule was aptly expressed in one of the contemporary rhymes as follows:

পেটে ভাত নেই
 হাতে কাজ নেই
 পরনে কাপড় নেই
 ঘরে শিল্প নেই
 বিদেশীর জিনিষে চলে ঘর
 তাই
 গায়ে জ্বর মনে ডর
 চাই
 কাজ + ভাত = শক্তি।

